Daily Report

East Europe

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Tudjman Denies Meeting With Milosevic Planned

LD0211225493 Zagreb HTV Television in Serbo-Croatian 2140 GMT 2 Nov 93

[Text] We have just received a statement from the office of the president of the Republic, Franjo Tudjman:

In accordance with the president's peace initiative, negotiations are taking place between Croatian authorities and local Serbs, including those in Norway. Regarding reports by some international agencies, according to which Franjo Tudjman, the president of the Republic of Croatia, will meet Serbian President Slobodan Milosevic, in Norway, the President's Office states that this is not true, and that such a meeting has not been arranged.

TANJUG: Talks Suspended

LD0211233693 Belgrade TANJUG Domestic Service in Serbo-Croatian 2254 GMT 2 Nov 93

[Text] Belgrade, 2 November (TANJUG)—The delegation of the republic of Serb Krajina [RSK], headed by President Goran Hadzic, will return to Belgrade from Oslo tomorrow, the RSK Foreign Ministry announced this evening.

In the Norwegian capital, the RSK delegation held talks with a Croatian delegation, discussing a cease-fire and the cessation of hostilities, as well as the establishment of communications and economic links, but the talks encountered obstacles yesterday, the RSK Foreign Ministry's statement sent to TANJUG says.

The statement also says that the two delegations yesterday reached a high degree of accord and agreed on almost all controversial issues, including the cessation of hostilities and economic cooperation, but the Croatian delegation today received an urgent message from President Tudjman containing guidelines forcing them to adopt completely different stands.

Norway Denies Visit Planned

LD0211154793 Helsinki Suomen Yleisradio Network in Finnish 1400 GMT 2 Nov 93

[Excerpt] Norway is denying reports emanating from diplomatic sources in Geneva, according to which the leaders of Croatia and Serbia will meet in Oslo this week. Norwegian Deputy Foreign Minister Jan Egeland has assured the Norwegian news agency NTB that there are no such plans. [passage omitted]

RSK Statement

LD0211174893 Belgrade TANJUG Domestic Service in Serbo-Croatian 1545 GMT 2 Nov 93

[Text] Belgrade, 2 Nov (TANJUG)—A delegation of the republic of Serb Krajina [RSK] headed by President Goran Hadzic started negotiations in the Norwegian capital Oslo yesterday on a cease-fire, ending hostilities, and the restoration of traffic and economic ties, but they encountered difficulties as early as yesterday, the RSK Foreign Affairs Ministry says in a statement issued today. The negotiations started at the proposal of the deputy cochairmen of the conference on former Yugoslavia, Knut Vollebaek and Geert Ahrens.

According to the statement forwarded to TANJUG today, the two delegations yesterday reached a high degree of unanimity, and agreed on almost all contentious issues, including ending hostilities, restoring economic cooperation, but during the course of the day [not clear which day], the Croatian delegation received an urgent message from President Tudjman containing directions that compelled it to assume completely different stands. Obligations for the Croatian delegation were in connection with Krajina as a part of the Croatian state, Krajina roads, rail roads, economic facilities, and also the property of the Croatian traffic and economic systems, the statement by the RSK Foreign Affairs Ministry says.

The speech delivered by the head of the Croatian delegation, Croatian National Security Chief Hrvoje Sarinic, was vehemently rejected by the RSK delegation at this morning's meeting, the RSK ministry confirmed, and concluded that Tudjman's intervention had undermined a negotiating process that could have been an absolute success.

Besides President Hadzic, the Krajina delegation includes Defense Minister Admiral Dusan Rakic, Foreign Minister Slobodan Jarcevic, and Justice Minister Radovan Kuzet, while the Croatian delegation, besides Sarinic, includes Assembly Vice President Slavko Degoricija and General Mirko Stipetic.

Countries' Police Cooperate in Narcotics Arrest

94BA0050D Ljubljana DELO in Slovene 11 Oct 93 p 8

[Article by Iztok Umer: "A Pula Dealer With Three Kilograms of Heroin Jailed in Trieste"]

[Text] *Close cooperation among the Slovene, Croatian, and Trieste police; concealed tailing from Skofije.*

Trieste, 10 Oct—In a well-prepared and executed operation, for which members of the Trieste emergency response squad and the narcotics squad had extremely accurate information, on Friday in Trieste they arrested 38-year-old Mladen Stepanic from Pula, and found in his car almost three kilograms of pure heroin.

After the arrest and the discovery of the heroin, of Thai origin, which was probably refined and purchased in Turkey, the chief of the Trieste emergency response squad, Carlo Lorito, did not forget to mention that the successful operation was the fruit of close cooperation among their police and the Slovene and Croatian police. The cooperation is especially productive in uncovering and preventing international drug trafficking.

The Trieste police obviously had enough information to wait at the border crossing in Skofije for a Golf with a Pula license plate, which Stepanic drove across the border with another fellow traveler. Immediately after they crossed the border, they were tailed by members of the emergency response squad and the narcotics squad, with passenger cars and motorcycles equipped with ordinary "civilian" license plates. They obviously decided to tail them because they were trying to identify and arrest the Italian customer for the heroin as well.

Stepanic was followed all the way to Gravisi Street in Trieste. His companion disappeared there, and Stepanic waited in the car. Since no one approached the car for a long time (the customers probably realized that "the air was not completely clean"), the policemen decided to arrest Stepanic. They also found the loot underneath the right front seat. In two black plastic bags were packages with almost three kilograms of heroin, which would have been worth about 3 billion lire on the Italian black market for drug addicts.

The Pula heroin dealer was taken to the Coroneo jail in Trieste, and the Trieste policemen are still feverishly seeking Stepanic's companion from Pula.

Problems in Slovene-Croatian Trade Relations

94BA0062B Ljubljana SLOVENEC in Slovene 14 Oct 93 p 4

[Article by Davor Gjenaro and Vida Kocjan: "How Can One Do Business With Croatia?"]

[Text] How can one do business with a state with which not one intergovernmental trade agreement has been signed yet? That is quite certain the fundamental question that all Slovene businessmen who want to sell or export some of their products to Croatia are asking. If a market for which it is questionable how it can even be penetrated is also extremely unstable, the uncertainty is increased further, and that is the biggest enemy of any rational planning.

In recent months Croatian inflation has stabilized at approximately 30 percent a month, but the Croats are having great difficulties in paying for goods already sold. Additional difficulties are caused by the somewhat stricter monetary policy that was instituted by the National Bank's governor; because of the "partial blockade" no foreign capital is coming into Croatia at all, and moreover, the former social capital, in property relations (often through uncontrolled privatization), is flowing rapidly out of the state to the secure auspices of developed Western states.

Croatia, however, is still a state where Slovene products are valued. The Croatian economy also has not been affected so much that after the end of the war it could not recover relatively quickly, and consequently it is understandable that Slovene businessmen have not broken off relations with it.

At the beginning of October, Prime Minister Valentic's government adopted a package of anti-inflation measures that were supposed to cut monthly inflation in half soon. The measures are somewhat reminiscent of Markovic's intervention in 1990. As in his case, the foreign exchange reserves (which are to be used to halt a further decline in the dinar) and the commodity reserves represent the anti-inflation program's basic lever. If producers incorporate anticipated inflation into the prices of goods, the government will offer the market commodity reserves at dumping prices. It is expected that during the coming months the Croatian dinar should lose its value against the mark at a rate less than monthly inflation, which should contribute to a lower value for the mark and other convertible currencies. It should thus also be profitable to sell products in Croatia, but only those that can be paid for with convertible currency. Any transaction that would have to be covered through compensatory transactions will not pay any longer, since the level of prices of domestic products in Croatia will continue to grow, and more rapidly, in comparison with the German mark [DM].

Life is already more expensive every month for Croatian citizens anyway. Although the average monthly wage in the last half year rose from DM150 to almost DM250, there is almost no real benefit from that, since buying power is now at least 30 percent lower than it was around 1 January. Slovenes who until recently besieged shops along the Croatian border are rare guests there now, and it seems that there will be even less of them, since higher-quality goods can be obtained in Slovenia for the same money. Valentic's package provides that Croatian citizens will be able to buy DM500 a month at the official rate. If that is done, buyers from Croatia, who are

already noting that many things can be bought more cheaply in Slovenia than at home, will soon appear in shops on our side.

Commercial Ties With Croatia Are Extensive

Slovenia's economic ties with Croatia are among the strongest, since Croatia is our second biggest trading partner (it is becoming the third), there are a large number of foreign enterprises, there are strong private ties, and there has been joint property in both states ever since the time of the former Yugoslavia. The process of Yugoslavia's collapse and the emergence of autonomous and independent states has created several problems between neighbors, and Slovenia and Croatia are no exception in this regard.

With respect to the economy, this specifically has to do with the position of the Ljubljanska Banka branch in Zagreb, the property of enterprises and citizens, economic and ecological problems because of the nuclear power plant, etc. With pragmatic leaderships, the economic interest in good cooperation should prevail, since there are great possibilities for cooperation between the two economies, which are very similar to a considerable extent.

Period	Slovenia's exports to Croatia	Imports from Croatia
1992	14.2%	13.9%
First half of 1993	12.0%	9.8%

The structure of Slovenia's foreign trade by region was considered. With respect to the currency structure of trade this year, the situation was as follows:

Period	Exports	Imports
1992	8.8%	7.8%
January-July 1993	4.4%	2.9%

Last week the Croatian Government adopted a new stabilization program that is based on very severe restrictive measures to reduce inflation, and has a great deal of similarity with Markovic's program.

How Will Those Measures Affect Further Bilateral Cooperation?

The Croatian economy's instability, of course, is a big problem for mutual trade. In addition to high inflation, the Croatian economy, of course, is distinguished by the economy's high illiquidity, which is reflected in nonpayment for goods, but at the same time Slovene goods are highly valued in the Croatian market. Slovenia and Croatia have not yet concluded an intergovernmental trade agreement that would legally regulate these matters.

According to the latest measures, the Croatian Government will release the commodity reserves and offer products on the market at lower prices than otherwise. It thereby wants to force Croatian producers to reduce prices, something which we are already familiar with from the time of Markovic's legislation. According to the measures, only exports with payment in convertible currencies will be profitable, and everything else will not be. The devaluation of the Croatian dinar is strongly encouraging Croatian exports to Slovenia and reducing Slovene exports to Croatia. As early as the coming months, the expected growth in Croatian prices (they will grow faster than the dinar's exchange rate) will have the opposite effect. During the transition period of three months, Slovene exporters will do worse.

The prices of Croatian products will probably continue to grow, and converted to marks, they will be even higher than before. Slovene goods are highly sought and valued in the Croatian market, but they are also extremely expensive. Sellers also include in their prices some of the expected monthly inflation, which makes the product much more expensive. It is also awkward that both states are showing a positive balance of payments with respect to each other, which indicates that so far the situation has been extremely unsettled, and Slovenia is treated in Croatia like any other foreign state, without special privileges. The population's buying power, measured in German marks, should increase.

Since some consumer good prices (expressed in marks) are already lower in Slovenia than in the neighboring state, the population will have increased interest in purchases on our side of the border. The reduction in customs duties from 15 to 10 percent will have a stimulative effect upon Slovene exports to Croatia, to be sure, but on the other hand the elimination of the former customs exemptions (important to Slovenia) will reduce the flow of trade between the states. The states' governments should finally agree on and conclude the "unfortunate" trade agreement.

GOR Chairman Tomov Explains Party's Objectives

AU0311073693 Sofia DUMA in Bulgarian 28 Oct 93 p 7

[Interview with Aleksandur Tomov, chairman of the Civil Alliance for the Republic, by Vesela Doneva; place and date not given: "The Civil Alliance For the Republic Is a Challenge For the Status Quo"]

[Text] [Doneva] Mr. Tomov, the program of the Civil Alliance for the Republic [GOR] is a rather ambitious one. Do you feel capable of implementing it?

[Tomov] The GOR has just accomplished the first step in its development, which I view as successful. The second is expected to be completed by January 1993, and only then will we be in a position to say how far we have gone. We are not trying to impose our views on anyone. We would just like to establish and consolidate a new type of political thinking. The GOR's primary idea is to put an end to the internal cold war, above all else. We should give up the eternal confrontation. The Greeks are no less violent in insulting one another during their election campaigns, but as soon as the interests of the nation are at stake they are unanimous. The same applies to the French and the Germans. The nation should be united the moment major political issues are concerned. Bulgaria continues to be divided and while the world has given up the "Cold War," in our country it continues over domestic issues. An end should be put to all this confrontation. The second proposal which the GOR has to offer is a fundamental change in economic policy. We would like to warn the public that Bulgaria can hardly live in peace any longer if we go on like this. Our country is facing a dramatic financial and economic disaster. It is absolutely necessary to find a way out of the situation, and the GOR is looking for it. At our conference we submitted several dozen new solutions and projects in this respect, projects that we consider very important.

[Doneva] Nora Ananieva found some similarities between the GOR's program and that of the Bulgarian Socialist Party [BSP]. Ludzhev also seemed to recognize some of his own ideas in it. How do you explain such similarities, perhaps with the emphasis on national interests as your priority issue?

[Tomov] GOR experts are the only authors of the program. Statements such as those that you mention cannot be taken seriously, in my view. They are simply aimed at playing down the importance of our program. I am convinced that both Ludzhev and Ananieva have never read our program. Naturally, there are some similarities, but I also find considerable differences between our program and those of the other groups. I do not see anyone who has submitted a new political doctrine such as ours. Ours is a concept of economic stability, of a well-balanced development in our country, which is a totally new idea for the conditions existing in Bulgaria. What we are proposing can neither be described as state, nor semi-state socialism, but it is not capitalism either. We are talking about the search for a specific historical balance promoting the interests of different social groups. I do not understand those who demand that a political formation should reflect the interests of one single social group and are asking us to determine our positions in this respect. This is an old-fashioned thesis. The formation of political organizations based on social groups is a result of the class struggle prejudice which actually divides society. On the contrary, the GOR views itself as a nationwide organization, which is looking for a well-balanced development of society.

[Doneva] At the GOR's conference it was decided that the alliance should register on the basis of the Law on Political Parties, which actually means the transformation of your movement or alliance, as you call it, into a party. Why did you select such a long-winded way to establish yourselves as a party?

[Tomov] I still insist that GOR should not become a party in the organizational political context. The problem which the conference was expected to resolve was whether things should be speeded up by registration or remain unchanged. Both solutions have their positive and negative aspects. The conference adopted the view that the GOR should publicly declare its intention of running in the next parliamentary elections either in a coalition or on its own. It means that the GOR should no longer be a political formation offering experts' opinions, but should strive for the practical implementation of its ideas. We can already say that the GOR is proceeding along this path. However, it does not mean that the GOR declares itself as a party. I would once more like to reiterate the fact that our statute grants opportunities for the broad participation of people from different parties, which confirms that the GOR remains a political movement. This is the most accurate formula, in my view.

[Doneva] Others, before you, have tried to apply the same formula, but practical experience shows that people with different political convictions cannot achieve an unanimous stand at a given political moment.

[Tomov] The fact that we grant access to representatives of various political organizations and formations by no means signifies that the GOR has a diversified outlook. The GOR has a unanimous outlook and is trying to rally people from various political formations who, nevertheless, share the same ideas and accept our program and our statutes. Hence, the restriction is quite unmistakable in this respect. For example, you cannot be a monarchist and a member of a republican group at the same time. We are creating a movement rather than a restricted party, because we are basically convinced that at the end of the 20th century and considering the pluralistic forms of ownership that should prevail in our country, restricted parties have no future. They are restricted like castes and can never guarantee national consensus. We selected our approach for another reason: A growing political vacuum exists in Bulgaria (which everyone can

realize), and a creeping discontent with the present political elite is spreading. This even further complicates the difficult transition to a new system. Many people are trying to accomplish the transition by parting with their old formations and proceeding along a new path. It is not true that only people from the BSP are joining the GOR. People from different parties have joined and are still joining the GOR and its leadership. We are borrowing the best elements from contemporary social democratic and neo-liberal ideas. Actually, this means that we are neither right-wing liberals, nor right-wing centrists. We are urging everyone to determine, through the specification of his own ideas, what he defines as left-wing and right-wing trends in politics.

[Doneva] Is the GOR overdoing it a little by declaring that it is capable of running in the elections on its own?

[Tomov] I would not like to mention figures, because it may seem like boasting on my part, but I must tell you that there is hardly any party, apart from the BSP, the Union of Democratic Forces [SDS], the Rights and Freedoms Movement [DPS], and perhaps the Bulgarian National Agrarian Union [BZNS], which has so many declared supporters as the GOR. This happened in less than two months. The GOR's approach to the question of elections is a totally different one. The state is very weak today, in our view, because it is being torn apart. The state is like a defenseless animal being devoured by wild beasts. Why is the state so weak, why is corruption so great, why is there a mafia in our country, and why is Bulgaria's financial situation so disastrous, which is the source of all the other misfortunes? Why is there no stable government, and why is no one capable of closing down unprofitable enterprises, or of forcing citizens to pay their taxes? This can be achieved either by an authoritarian regime, which we reject, or by a great, solid coalition government. We are convinced that no political party whatsoever is in a position to form a single-party government and to stabilize state authority. No matter which of the two existing large political formations should take over the power alone, confrontation is likely to prevail, hence the state will be weak. In our view the solution is to form a powerful coalition, based on specific goals that should be clearly stated to the public. It is necessary to achieve a new consensus among the political forces, which should raise the interests of the nation above their own party interests, and this should take place now! The situation is much more desperate than 90 percent of the Bulgarian politicians and 99 percent of the people imagine. It is much more tragic. Someone should offer his hand for reconciliation. We must put an end to confrontation. Reconciliation over the past is called for, and the past should be rejected. I think that the GOR can serve as one of the bridges in fulfilling this task.

[Doneva] A proposal that the GOR should form its own parliamentary group was also submitted at your conference, but you declined to make such a decision, by explaining that only members of parliament are entitled to do so. I would like to hear your opinion on whether you intend to leave the parliamentary group of the Parliamentary Alliance For Social Democracy [PSSD]?

[Tomov] This question is related to the Constitution in the first place. The Constitution authorizes the National Assembly deputies to act in accordance with their conscience. The personal freedom of a parliamentary member is more important than his allegiance to a party apparatus, and conscience will be the decisive factor in the final account. the GOR is very much concerned about the individual's civil rights and freedoms, which should always prevail over party affiliations. Hence, each member of parliament must resolve the problem according to his conscience. As far as my opinion is concerned, I do not think that this question is related to our already expressed view on coalitions. Nothing is easier than forming a group and declaring oneself independent. It is far more difficult, but more useful, to establish why you are creating a given structure, what your objectives are in doing so, and what results you are expecting. For example, we could form another group in parliament, while parliament is practically non-existent. Or we could form a group just for the sake of doing so, without any specific goals and intentions, for the simple pleasure of impressing others. This would be very stupid.

[Doneva] Are you still faithful to the slogan: "The World Is Changing, We Shall Go Along."

[Tomov] Yes, indeed.

Briefs Zhelev on New Agreement Idea

AU0111192093 Sofia Khorizont Radio Network in Bulgarian 1700 GMT 1 Nov 93

[Text] On 1 November President Zhelyu Zhelev received Aleksandur Tomov, chairman of the Civil Alliance for the Republic [GOR], who briefed him on the idea of signing a new agreement between the political forces, trade unions, and employers that would help to overcome the economic crisis more quickly.

GOR proposes that the political forces, trade unions, and employers direct their attention toward stabilizing the banking system, accelerating the return of land within real limits, working out a new concept on privatization, stressing small privatization, and assisting the law and order authorities in their struggle against crime.

SDS Parliamentary Group Rejects DPS Coalition

AU0211193393 Sofia Khorizont Radio Network in Bulgarian 1700 GMT 2 Nov 93

[Text] Today the National Coordinating Council of the Union of Democratic Forces [SDS] and, somewhat later, also the SDS Parliamentary Group, heard a declaration of the Radical Democratic Party in which the party and its leader Aleksandur Yordanov, chairman of the National Assembly, expressed their readiness of to prevent a bill on personnel changes in the Supreme Judicial Council being discussed in the plenary session.

The SDS Parliamentary Group could achieve temporary coalitions on certain legislative questions with all parliamentary forces, but there can be no question of restoring the parliamentary majority with the Rights and Freedoms Movement [DPS] in this parliament. This was also declared by Stefan Savov, chairman of the SDS Parliamentary Group in an interview with our reporter Antoaneta Puncheva.

The SDS Parliamentary Group described the idea launched by Ventsislav Dimitrov and Georgi Markov about the SDS participating in a future caretaker government as preposterous.

Commentary Questions Recent Cabinet Appointments

AU0311074293 Sofia KONTINENT in Bulgarian 29 Oct 93 p 8

[Unattributed commentary: "Prime Minister Should Think About His Cabinet's Cadres"]

[Text] Some of the last appointments announced by the cabinet evoke puzzlement. They include the appointment of Deputy Prime Minister Evgeni Matinchev to the post head of the Arms Trade Commission, and of Finance Minister Stoyan Aleksandrov to the post of chairman of the Foreign Debt Commission.

The deputy prime minister in charge of social affairs is hardly the best qualified expert in anything related to arms production and trade. This apparently could not be helped. Bulgaria has always had bosses who "lead" without being competent to do so. We cannot puzzle the world with anything new in this area.

However, the appointment of the finance minister is different, because now he could expand abroad some of the harmful consequences of his actions in Bulgaria.

Why, for example, was such a delicate matter as conducting negotiations on our foreign debt entrusted to a man who imposed an unprecedented, in the entire world, murderous tax on the newspapers?

What guarantee have we that Stoyan Aleksandrov will successfully conduct the negotiations with the IMF, completely dominated by the United States, since Aleksandrov does not know that in most U.S. states that is a law that bans all newspaper taxes? The only consequence of this cabinet decision will be that the person who tried to ruin the freedom of press in Bulgaria through concocted taxes will botch the foreign debt matter.

Professor Berov should seriously think about the people around him.

Commentary on Statement by Macedonian President

AU0211134093 Sofia KONTINENT in Bulgarian 29 Oct 93 p 8

[Commentary by Maksim Bozhilov: "Consolidation Through Negation"]

[Text] Macedonian President Kiro Gligorov allowed himself to speak in France about Skopje's good policy, "which counterbalances the policy of the neighboring Balkan states." According to him, Macedonia is a state that could only exist in its present borders, while the neighboring Balkan states revive myths about "Greater Serbia, Greater Bulgaria, and Greater Albania."

The neighbor problems Skopje has with Belgrade and Tirana should be discussed and resolved by the appropriate authorities in those capitals. However, the friction that has occasionally emerged between Skopje and Sofia is very indicative.

The former Yugoslav Republic of Macedonia became, very recently, an independent state on the European map. It is normal for the leadership of any new state to seek consolidation in the internal political and international scenes, but this should not happen at the expense of the neighboring states. President Gligorov elected to praise his policy and criticize his neighbors for nonexistant deeds. Such a line of behavior plants the seeds of potential conflicts that, in the future, could complicate further the already complicated situation in the Balkans.

The Bulgarian politicians should note this and remind Skopje of it.

Havel Addresses Soldiers at Oath-Taking Ceremony

AU0211134293 Prague CTK in English 1155 GMT 28 Oct 93

[Text] Prague Oct 28 (CTK)—President Vaclav Havel and Defence Minister Antonin Baudys attended the administration of the oath of service to 1,200 young soldiers in a ceremony at Prague's Kbely Airport today.

In a speech to the new soldiers, Havel emphasised the necessity of renewing the trust and pride in the military among Czech citizens: Too long were we a satellite state and too long was our army subservient to foreign interests for it not to have left behind negative traces in its relation to the public.

To be a country that genuinely respected internationally and flourishing internally, he said, is not some gift that simply falls from heaven. It is a task for us all. And we can only fulfill this task if we love our country and are willing not only to work for it, but to sacrifice ourselves for it.

A planned airshow had to be canceled due to the dense fog that shrouded the ceremony. About ten skinheads showed up at the front gate to the airfield, but they did not cause any disturbance and soon went away.

Seven hundred soldiers were inducted in a similar ceremony in Olomouc.

Klaus Addresses Ceremony

AU0211135093 Prague CTK in English 1430 GMT 28 Oct 93

[Text] Brno, South Moravia Oct 28 (CTK)—The Czech Republic is a stable, democratic country which is respected on the international scene and which is unambiguously first among post-communist countries with the success of its political and economic transformation, Czech premier and chairman of the ruling Civic Democratic Party (ODS), Vaclav Klaus, said today.

Klaus delivered a speech to about 7,000 people present at the administration of the oath of service to 650 new soldiers in Freedom Square on the occasion of October 28, the Czech Republic's state holiday.

For the first time in its history, the Czech Republic does not have to stand up to direct foreign threats, Klaus said, adding that the independent Czech Republic had emerged as a result of the implementation of Slovakia's long-cherished dream for independence.

Klaus spoke in favour of maintaining October 28, the anniversary of the independent Czechoslovakia, as the country's state holiday. It would be a mistake not to declare the adherence to the precepts of Czechoslovakia, adding that Czechs could be proud of Czechoslovakia's tradition, and that he firmly believed that the anniversary of independent Czechoslovakia should be preserved as the Czech Republic's national holiday in the future.

Klaus mentioned other historical meanings of this anniversary, which in the past had been celebrated as the day of nationalisation. In this sense, Klaus said, October 28 should be remembered as a memento, as an anniversary of an unfortunate communist experiment which ended in thousands of human tragedies.

It is worthwhile to remember the day of nationalisation just now when the second wave of coupon privatisation has started in the Czech Republic, the premier said. He pointed out that Czech towns and villages are being changed through the efforts of those to whom nationalised and mostly devastated property had been returned or who had acquired it in privatisation.

It is also necessary to bear in mind what catastrophic consequences for the future of the state an ill-conceived reform of its administrative division and the powers of its individual bodies could have, Klaus said: Let us remember, especially today, of the risks of similar moves and let us remember the recent history of Czechoslovakia while preparing a territorial administrative reform.

He stressed that October 28 and the foundation of independent Czechoslovakia should also be marked in an international context. The Czech nation in the past lacked security for its existence and confidence in its own strength, Klaus said.

It is a fact that we are a ten-million-strong, cultural and civilised European nation with a thousand-year tradition of our own statehood, and this no small fact, Klaus stressed.

A group of about 60 people from the Anarchist Federation, the movements Action for Animals and Non-Violence came to demonstrate during the Freedom Square ceremony.

Reacting to the slogans unveiled by the demonstrators protesting the existence of the army, Klaus said: It would be the dream of us all not to have to keep an army. But it is just a dream, Klaus said, adding that he believed the Czech Republic had to have a reasonable army, and that he was satisfied with developments in the armed forces thus far. Klaus voiced the conviction that a year-long compulsory service would be profitable for new conscripts.

Baudys on Surplus of High-Ranking Officers

LD0211135493 Prague CTK in English 1255 GMT 2 Nov 93

[Text] Prague, Nov 2 (CTK)—There is currently an unjustifiable number of high-ranking officers in the Czech Army, but this situation should be rectified by a transformation which should be completed by 1995, Czech Minister of Defence Antonin Baudys said at a press conference today.

We have a lot of colonels and lieutenant-colonels, Baudys said, adding that in many cases these ranks did

not correspond with duties. There are 34,500 career soldiers currently serving in the Czech Army. Baudys said that after the transformation, the Army should have 65,000 soldiers, about half of whom should be professionals. He pointed to the stupid personnel policy followed by the Army in the past, when officers were promoted every year, even if there was no corresponding post open. The current composition of career soldiers—regarding rank and envisaged post—is in absolute contradiction to the distribution of ranks and posts in a transformed army, he said.

Baudys said that the goal of the Czech Army was to approximate the structure of rank in western armies. A part of the transformation is also changing the system of operation for instance, instead of divisions the Army should be composed of brigades. These changes are important for the future incorporation of the Czech Republic into European security structures, he said. Changes in the systems of operation, command and information have priority over arms transformation.

The proposed budget for the Czech Army for 1994, which is to be discussed Thursday by the Defence and Security Committee of the Czech parliament, amounts to two and a half per cent of the gross national income of the Czech Republic, Baudys said.

Kocarnik Says No Reason To Devalue Currency

AU0311114693 Prague HOSPODARSKE NOVINY in Czech 29 Oct 93 p 3

[Report by "(pra)": "There Are No Reasons for Devaluing the Czech Currency's Exchange Rate, Maintains Ivan Kocarnik"]

[Text] Harrachov—"There is no reason for us to devalue the Czech currency's exchange rate. If we hear such demands from time to time, then they are merely expressed by various lobbies, first and foremost, the exporters' lobby," stressed Deputy Prime Minister and Finance Minister Ivan Kocarnik (Civic Democratic Party) to the Chamber of Deputies Budget Committee.

The central budget for 1993 should remain balanced given incomes and expenditures of around 350 billion korunas [Kc]; the local budgets will, in all probability, return a slight surplus of between Kc1.0 and 4.0 billion. Kocarnik described these preliminary results as a success, especially in view of the continuing world recession. According to him, this is also the main reason why the Czech economy will grow by less than 1.0 percent this year. At the end of September, this year's incomes amounted to Kc258.6 billion and the real budget surplus was approximately Kc5.0 billion.

Kocarnik again rejected the possibility of a deficit budget and declared to the committee that "the history of public finances reveals that governments invariably have had bad experiences with deficit financing. To put it simply, this has always led to depreciation of the currency and inflation. J.M. Keynes shattered the conservative view when he claimed that, at a time of recession, the state can stimulate demand; however, his original theory of future part payments for the state debt has never been fulfilled. Thanks to his theory, however, political parties have gained scope for making unrealistic promises." Therefore, the state budget is still conceived as balanced with equivalent incomes and expenditures of around Kc379.8 billion, added the deputy prime minister.

The chairman of the parliamentary Budget Committee, Tomas Jezek (Civic Democratic Alliance), said in an interview for HOSPODARSKE NOVINY that at the start of its debate on the government's draft budget for 1994, the committee devoted extraordinary attention to the state debt. He came to the conclusion that the communist state, which in the past fulfilled the role of a "socialist economic manager," is responsible for the entire debt of Kc163 billion. The debt will not be repaid—the National Property Fund will merely pay the interest with the proviso that the overall debt (it now amounts to 18 percent of the gross domestic product) will be reduced if the economy grows in the future. Jezek also said that the demands made by the parliamentary committees for more money for their departments must in no way affect the budgetary quotas.

ODA Calls For Coalition Talks Soon

AU0211114593 Prague CTK in English 1519 GMT 29 Oct 93

[Text] Prague, Oct 29 (CTK)—Jan Kalvoda, chairman of the Civic Democratic Alliance (ODA), a government coalition party, has sent a letter to the leaders of the remaining three coalition parties calling on them to hold coalition talks next week, Kalvoda told journalists today.

He said that chairmen of the government coalition parties should discuss foreign policy activities and especially the Czech Republic's relationship towards NATO, the Central European region and Czech-German relations.

Kalvoda said in his view another question which should be taken up by the coalition leaders was the republic's future local government system, adding that this problem was very urgent and of great interest to citizens. The coalition should resolve it as soon as possible in order to fulfill its basic election promises and the government's program, Kalvoda said.

ODS Deputy Chairman Daniel Kroupa brought up Czech Foreign Minister Josef Zieleniec's proposal to compensate the Czech victims of Nazism in advance and to later continue talks with Germany to recover the relevant sum. Kroupa said that it was a very serious question and should also be discussed during the talks.

The ODA does not reject Zieleniec's proposal altogether but it is somewhat uncertain about it because it could be perceived as a sort of assumption of debts and responsibility for Nazi occupation and for Nazi atrocities, Kroupa said. He added that in the party's view this

should not happen, especially because it is clear who ought to provide compensation to Nazi victims, and of its own will.

Government, Unions Meet To Discuss Crisis

AU0311072793 Prague CTK in English 1752 GMT 29 Oct 93

[Text] Rudna u Prahy, Oct 29 (CTK)—A crisis between the Czech Government and labor unions was staved off by today's meeting between government and union officials, Prime Minister Vaclav Klaus said today after the meeting.

He added that the two sides were closer in their views than recent headlines have been leading the public to believe. Klaus met with the government's economy ministers and representatives of the Czech-Moravian Chamber of Trade Unions (CMKOS).

CMKOS Chairman Vladimir Petrus, however, said the unions were still not considering calling off the state of crisis they declared Friday because a crisis of confidence does not appear overnight, and similarly it cannot be overcome overnight. Nevertheless, he praised the government's willingness to understand the unions' arguments.

The two sides agreed on solutions to three of the six conditions they negotiated today regarding fulfillment of the general agreement for 1993. The six conditions were brought up by Petrus in a letter to Klaus September 25. Concerning two of the conditions, the negotiaiors agreed to establish a working commission to find mutually acceptable solutions.

Klaus also said they had discussed the government's desire to transform the Council of Social and Economic Agreement (or tripartite of the government, unions, and employers) into a mere consultative body and shift concrete negotiations onto the unions and employers alone.

Petrus said that while he respected the government's position, he felt that as long as private property relations have not been clearly established in the country and the government still directs a range of enterprises, government representation in the tripartite remained a necessity.

Government Approves Bills Amending Tax Laws

AU0211214593 Prague CTK in English 1759 GMT 27 Oct 93

[Text] Prague Oct 27 (CTK)—The Czech Government today approved several bills amending tax laws. These amendments would reduce direct taxes, with the result that citizens would annually earn six billion crowns in tax savings and the state budget would lose the same sum in income, Czech Premier Vaclav Klaus said at a press conference here.

All the approved law amendments are to take effect as of January 1, 1994. Klaus said that these amendments reflect the experiences of the first year of the new tax system's life. In no case did these amendments indicate any inconsistency or retroaction in the tax system, he added.

The government has proposed to reduce the tax rate on legal persons' incomes from 45 percent to 42 percent. The maximum tax rate on legal persons' incomes should drop from 47 percent to 44 percent. As regarding physical persons, the untaxed basic income is to grow by 1,200 crowns with an additional 1,800 crowns untaxed for each child sustained by the taxpayer.

Ω Press Views 'Comeback' of Civic Movement

94P20054A

[Editorial Report] A revival of the formerly powerful Civic Movement (OH) into a political party hoping to stage a comeback after its failure in the June 1992 elections was completed at the 16-17 October OH congress in Brno, writes the Prague daily MLADA FRONTA DNES on 18 October in an article signed by cipher (pen). The daily says that the congress approved a new name for the party—"Free Democrats (OH)"—and again elected Jiri Dienstbier, the incumbent OH chairman and former Czechoslovak federal minister of foreign affairs, to be its chairman. Dienstbier, as well as the newly elected deputy chairman, Tomas Sokol, are both members of the "radical" OH faction that prevailed at the congress, writes the daily.

Petr Novacek expresses skepticism about OH's transformation and its prospects for a comeback in his 16 October commentary in MLADA FRONTA DNES. Novacek mentions that OH, "until the last elections the most influential Czech political force," did not in 1992 achieve even the required minimum 5 percent for entry into parliament and, "since its electoral debacle, has shrunk to the present extraparliamentary party organization of roughly 2,000 members." Novacek writes that the principal reason for OH's decline—disparity of political views and lack of a clear-cut program—have persisted since its defeat in the elections and resulted in a blurred political profile that, for 17 months, "has remained so boringly indistinct that today OH would be selected by only 3 percent of the electorate." At an OH Council meeting last June, when an effort was made to adopt a well-defined program, OH split into three factions: the radical liberals led by Dienstbier and Sokol, the moderate liberals, and a nonliberal faction, which advocated affiliation with the Social Democratic Party. The Council rejected affiliation with the Social Democrats because "OH would then cease to be a liberal party" and decided that "OH would remain a nonsocialist opposition, which will criticize the Right as much as the Left and will seek support of the proreform oriented citizens."

Novacek concludes that only transformation into a political party (from an amorphous movement), a change of

name, and ideological homogeneity expressed in a clear, unambiguous program can save the formerly powerful OH, whose members include former Czech Prime Minister Petr Pithart and the former chairwoman of the Czech parliament, Dagmar Buresova, from complete political oblivion. He predicts that the test will come in the municipal and senate elections, due to take place in the fall of 1994.

In his speech after his reelection as chairman (reported by Prague CTK on 17 Oct), Dienstbier said that the new name, the new statutes, and the new program, adopted by the congress, all signify that "we have learned from our mistakes." OH intends to be a truly liberal party and to apply for membership in the Liberal International. He said that the party "intends to run its own candidates in the forthcoming municipal elections and the elections to the Senate whenever possible." He added that OH "wants to build a civic society capable of maximum grassroots self-government" and that it opposes "tendencies toward an excessively powerful state," for which, he claimed, the governing rightist Civic Democratic Party (ODS), as well its leftist Social Democratic opposition, "are increasingly pushing."

Official Opposes Closure of UN Center

AU0211114393 Prague CTK in English 0917 GMT 29 Oct 93

[Text] New York, Oct 29 (CTK)—Deputy Czech Foreign Minister Pavel Bratinka yesterday protested strongly against the United Nations' intention to close its Information Center in Prague. According to Czech diplomatic sources the UN Secretary General Butrus Butrus-Ghali, after the Czech protest, decided not to close the center.

Deputy to the Secretary General Marco Vianello-Chiodo explained to Bratinka after his address in the General Assembly Special Political and Decolonization Committee that the United Nations leadership was under the impression that the decision to close the center had been made after consultation with the Czech Foreign Minister. Later, after records were examined, it was discovered that though the matter was discussed with a minister it was with the Slovak Foreign Minister Jozef Moravcik. The United Nations has no center in Bratislava.

In his speech Bratinka stressed that the Prague UN Center established in December 1947 was one of the first ten UN centers in the world and that it was the only really functioning UN center in Central and Eastern Europe. This gives it a special significance, which has been strengthened by the growing interest of the Czech public in the United Nations' activities in connection with the Czech Republic's participation in UN peacekeeping operations. In short, the Czech Republic resolutely opposes any attempts at closing the UN Information Center in Prague, Bratinka stressed in his speech.

He pointed out that the UN had intended to close the center in Prague in order to open one in Bonn. This is a very unfortunate situation, Bratinka emphasized. The Czech Republic does not oppose the opening of the center in Bonn but it ought not to be done to the detriment of the Prague center, he added.

Meciar Expresses Reservations on Balladur Plan

BR0211153993 Paris LIBERATION in French 2 Nov 93 p 20

[Article by S.Etr (with AFP): "Slovakia Reserved on 'Balladur Security Pact'"]

[Text] Slovak Prime Minister Vladimir Meciar expressed reservations on a European Security and Stability Pact proposed by French Prime Minister Balladur during discussions in Bratislava yesterday with [French] Minister for European Affairs Alain Lamassoure. According to the Czech Press Agency CTK, Vladimir Meciar stated that Slovakia could not accept parts of the French project such as the recognition of a principle providing for collective minority rights and the concept of preventive border changes meant to avoid potential conflicts. According to the Slovak leader, a better idea would be common protection of borders.

The "Balladur Security Pact" has so far received a mixed reaction in Eastern Europe. Just like Slovakia, which has a Hungarian minority of some 600,000 people, several countries with substantial minorities are unwilling to recognize the principle of collective minority rights. On the other hand, this principle is fervently advocated by Hungary, whose more than 3 million nationals living in neighboring countries have been clamoring for better treatment, in particular in Romania and Slovakia. The proposed European Security and Stability Pact probably will be mentioned in Paris on Thursday during an official visit by Czech Prime Minister Vaclav Klaus. Alain Lamassoure was scheduled to leave Bratislava today, on his way to Albania.

Cernak: New Government May Be Announced 5 Nov

LD0211192493 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 2 Nov 93

[Interview with SNS Chairman Ludovit Cernak by editor Bernard Hornak on 2 November, place not given—live or recorded]

[Excerpts] [Passage omitted] [Hornak] Coalition talks between the HZDS [Movement for a Democratic Slovakia] and the SNS [Slovak National Party] continued yesterday. However, their results were not made public officially, and Michal Kovac, president of the Slovak Republic, has not received proposals for the appointment of new ministers yet. Why is the second phase of coalition talks concerning the appointments taking longer than it was originally envisaged?

[Cernak] It is true that this takes a rather long time. However, it is taking rather a long time because—as will be made perfectly clear once all the conclusions of our coalition talks are made public—the SNS did not discuss appointments, it did not fight for chairs for its members with ministerial ambitions. [It is taking a long time] because we spoke about concepts, government policy, and what is necessary to do differently in order that the entry of the SNS into the government coalition also brings something good to the general public, to our electorate.

In my view we have already got over this. Yesterday our delegations were received by the president and briefed him about the first proposal of a completion and partial reconstruction of the government. [passage omitted]

[Hornak] When do you think the final composition of the new coalition government will be known? The president is leaving for a two-day trip abroad [to Belgium], is this then going to be [announced] on 5 November?

[Cernak] I can only give you my personal view: It might be [announced] on 5 November. [passage omitted]

Toth Notes October State Budget Deficit Decrease

LD0211213893 Prague CTK in English 2035 GMT 2 Nov 93

[Text] Bratislava, Nov 2 (CTK)—On November 1, Slovakia's state budget deficit was 13.2 billion crowns (440 million usd), which is a 2 billion (67 million usd) decrease against the situation in September. Financial Minister Julius Toth told journalists after a government session today.

He quoted representatives of the world's banking houses as saying that Slovakia had succeeded in stabilising its budget incomes.

Referring to the health care budget, Toth said that though the Health Ministry had been permitted to draw from the budget to the full extent, the health care area would lack about 1.2 billion crowns (40 million usd) to finance energy, medicaments and food.

Government Approves 1994 Draft Budget

AU0211163293 Bratislava PRAVDA in Slovak 29 Oct 93 p 2

[TA SR report: "From Minus to Zero: The Government Approves the Slovak Republic's Draft State Budget for 1994"]

[Text] Bratislava— The 71st meeting of the Slovak Government continued on Wednesday [27 October], with Prime Minister Vladimir Meciar chairing a debate on alternative drafts of the Slovak Republic's state budget for 1994.

The Government of the Slovak Republic approved the draft state budget for 1994 with comments. It instructed the minister of finance to draw up the budget on the basis of the variant that assumes a 0-percent decline of gross domestic product and a 5-percent state budget deficit in relation to gross domestic product (16 billion Slovak korunas). Once the draft budget is broken down into individual government departments, it will become

the subject of coalition talks, prior to being submitted to the National Council of the Slovak Republic [NRSR].

The government discussed and approved a government-sponsored NRSR bill that changes and amends Law No. 248 of 1992 on Investment Companies and Investment Funds as amended by Law Number 600 of 1992. Following consultations with individual parliamentary parties, the Government of the Slovak Republic backed away from its original proposal to separate the fiscal year from the calender year in 1994. The government took note of a report on the results of an inquiry into the use of agricultural and food industry subsidies extended from the Slovak Republic's state budget in the years 1991 and 1992.

The Slovak Government discussed and approved a proposal for measures to limit inflationary risks in the development of wages. It also discussed and approved a proposal to hold talks with the World Bank on the provision of an Economic Recovery Loan [last three words published in English]. It also took note of other information.

Parliament Amends Church Property Law

AU0211134893 Prague CTK in English 1756 GMT 27 Oct 93

[Text] Bratislava, Oct 27 (CTK)—The Slovak Parliament today passed a law on the restitution of church property which provides for the partial redress of property wrongs inflicted on churches and religious communities.

Of the 121 deputies present, 92 voted for the law, 23 voted against it, and six deputies abstained from the vote.

The bill on church property restitution had already been approved by the Slovak Parliament in September. However, on October 14 Slovak President Michal Kovac returned it to parliament as he disagreed with the clause under which former church property now belonging not only to the state and communities, but which had since been bought by legal persons, was to be returned.

The original version of the bill did not differentiate between the property which was bought and that which was taken over without payment. Kovac claimed that this contradicted the constitution.

Under the law which was passed today, private legal persons who have bought property which is now to be returned to the church will be refunded the buying price.

National Bank Releases Data on Investments Abroad

AU0111142993 Bratislava HOSPODARSKE NOVINY BURZOVE NOVINY Supplement in Slovak 27 Oct 93 p I

[TA SR report: "Business Ventures Abroad; Capital Investment: 159.3 Million Slovak Korunas"]

[Text] Bratislava— In the first half of the year the Slovak National Bank [NBS] issued to Slovak entrepreneurial entities 41 permits to acquire stakes in property abroad. The total amount of invested Slovak capital reached 159.3 million Slovak korunas [Sk], mostly in the form of material investment.

A total of 12 permits issued by the NBS were for investments in the Czech Republic where financial capital investments by Slovak businesses reached the sum of Sk3.2 million and material investments the sum of Sk360,000 in the period under review. A total of Sk115.6 million worth of material capital and Sk596,000 of financial capital were invested in the CIS republics—Ukraine, Russia, and Belarus. The remaining Sk30.8 million worth of material capital and Sk8.7 million of financial capital were invested in 16 other countries where entrepreneurial entities from the Slovak Republic have investments.

An additional 26 applications for permits to acquire a stake in property abroad were turned down by the NBS, either because the applicants did not meet certain conditions or because they withdrew their application.

Opinion Poll Shows HZDS Gaining in Popularity

LD0211191293 Prague CTK in English 1529 GMT 2 Nov 93

[Text] Bratislava, Nov 5 (CTK)—Forty per cent of Slovakia's adult population do not favour any political party, which is a five-per cent decrease over October, a regular survey by the Slovak Statistical Office conducted in early November revealed.

The poll data can be interpreted as a slight increase in the popularity of the governing Movement for a Democratic Slovakia (HZDS).

Voting preferences between May and September [in percent]

	July	August	September	October
No preference	37	40	45	40
Movement for a Democratic Slovakia	18	18	15	17
Democratic Left Party	11	14	12	12
Slovak National Party	11	8	7	7
Christian Democratic Party	8	7	7	9
Hungarian Christian Dem. Movement	5	4	4	5
Green Party	-	4	3	3
Christian Social Union	-	4	-	-
Slovak Social Democratic Party	-	2	2	2
Alliance of Slovak Democrats	-	-	-	2

The October sample was 1,228 people over 18.

Outbreak of Romany Violence Feared

AU0311074493

[Editorial Report] Slovak newspapers on 29 October publish reports on the murder of two Romanies in Klenovec, near Rimavska Sobota in central Slovakia, by a member of the local police and the adoption of special security measures in the area to prevent the local Romany population from attempting "revenge."

Bratislava NARODNA OBRODA in Slovak on 29 October on pages 1 and 21 carries a 500-word "mvt"-signed report entitled "Justice in Wrong Hands." According to the report, a 28-year-old member of the local police from Klenovec, who is identified as I.G., has been detained and charged with two murders and an attempted murder. On the afternoon of 26 October, the intoxicated policeman reportedly paid several visits to the Romany settlement at Klenovec: "He first stopped a 34-year-old man and asked him to get into his car to be taken to the local office to discuss a criminal offense. The man left with the accused without putting up any resistance. Instead of being taken to the local office, however, he was driven out of Klenovec to a locality known as Horky, where he was told to lie down and stretch out his arms and legs. A shot in the back of the skull followed. The accused returned to the settlement and in the same way asked another Romany, a 32-year-old man, to accompany him to the local office. In the same meadow, only a few meters further up, he was again ordered to lie down and was subsequently shot in the back of the skull. When the accused returned to the scene of the crime the third time—this time in the company of a 22-year-old youngster—the 'trial' was not repeated. When getting out of the car, the youngster saw the accused loading his gun and managed to escape." When explaining the motives for his deed, the policeman reportedly said that existing laws were "insufficient and bad," which is why he had decided to take justice into his own hands. All three victims are said to have had a criminal record.

Bratislava REPUBLIKA in Slovak on 29 October on page 2 carries a 250-word TA SR report entitled "Fears of Romany Revenge." According to the report, during the 27 October meeting of the National Council of the Slovak Republic [NRSR], "Ladislav Polka, chairman of the NRSR Committee for Petitions, Legal Protection, and Security, asked Slovak Interior Minister Jozef Tuchyna to adopt measures to prevent the Romany population from attempting any revenge" and "to reinforce police patrols in the entire area." Tuchyna reportedly replied that "the Slovak Republic Police Corps has been instructed to closely monitor the situation in the area" and that, in his opinion, "the policemen avail themselves of adequate forces and means to ensure peace."

Jeszenszky Views Country's Image Abroad

AU0211173493 Budapest UJ MAGYARORSZAG in Hungarian 29 Oct 93 pp 1, 5

[Article by Foreign Minister Geza Jeszenszky: "In Whose Interest Could It Be?—Geza Jeszenszky on the 23 October 1992 Incident"]

[Text] It has recently appeared in the Hungarian press that politicians and others in public life have to accept that they often cannot be protected from insults. Almost coinciding with the incident at Kossuth Square in 1992, Britain's Queen Elizabeth II was jeered and eggs were thrown at her in Germany, and [German] Federal President Weizsacker spoke in front of the Reichstag protected by shields from a shower of stones and eggs being thrown at [German] Chancellor Kohl. Similar insults are almost everyday events. These phenomena are very saddening and are signs of the decay of political culture although scandalous scenes and fights did take place even decades ago in Europe's parliaments. In this context, however unfortunate I consider the fact that a small group greeted the president of the Republic with loud disapproval, even this cannot at all be seen as unusual or challenging. As I was not present on the scene at the time, I cannot personally assess whether it was indeed impossible for the president to make his speech or it would have been better to start it by relying on the undoubted goodwill of the majority of those who were present and ignoring those who were disturbing the order.

However, the portrayal of this unfortunate event in the Hungarian media was clearly tendentious.

I do not wish to and cannot decide how the sequence immediately shown on television was made, but I can establish with full responsibility that this presentation, which completely obscured the dignified progress of the festive commemorations and the country's respect regarding 1956, showed Hungary, the domestic political atmosphere, and the public mood in an extremely harmful light. The pictures shown by Hungarian Television, and the associated press coverage and commentaries reached the whole world. Typical is what POLITIKEN in Copenhagen wrote in its East European Panorama on 26 October. "Control over developments has been lost from the calmer forces of Hungary's governing parties." JUNGE WELT on 6 November carried T. Kovacs's report from Budapest: "It cannot be ruled out that the coalition and the scandal of 23 October are linked." In its 8 November issue, P. Bentazzo reported on the Kossuth Square incident in LA REPUBLICA, which "indicated the serious political crisis that Hungary is facing...." P. Nyholm, correspondent of JYLLANDS POSTEN of Copenhagen wrote on 10 November: "...Influential political groups ordered...the hooligans on 23 October to the scene." Finally, let us look at the 22 December issue of TAGES-ANZEIGER, which, in connection with the event, quotes historian Miklos Szabo, parliamentary deputy of the Alliance of Free Democrats: "The extreme right-wing danger is coming from above, from the forces of the government, rather than from the mob." These quotations from articles and commentaries clearly indicate the unreasonable enlargement of the issue and the mistaken and false image formed from it, and the fact that as a result of this campaign, Hungary suffered serious moral and, indirectly, material losses.

The primary target of this, based on recent findings, very probably intentional manipulation was the Government of the Hungarian Republic. However, these kinds of accusations and presentations always affect the whole nation and seriously blacken the nation's honor. It is in vain that it can be proven that the decisive majority of Hungarian people did not support either the red or the white terror in 1919, did not support the deportation of Jews in 1944 or the communist takeover in 1947-48; from all these, the world formed an opinion about Hungary that this nation is responsible for extremist tendencies coming to power and for the serious lurches; in other words, Hungary is a sinful, fascist, or communist nation.

Since 1989, I have on many occasions tried to warn the political opponents of the Hungarian Democratic Forum and of the Hungarian Government that the accusations and slanders that claim that, in Hungary, anti-semitism is rampant, powerful extremist movements exist, and the freedom of the press is in danger or perhaps has already ceased to exist, are all without basis and in addition to a party and a government, they defame the whole country and the whole nation. It has to be clearly understood that the image of the Hungarians is always linked to the nation rather than to governments or regimes, and so its consequences have to be borne by all future governments and the whole Hungarian nation.

I do not know what party political goals led the institutors and participants of the campaign to do with 23 October 1992, but it is certain that they jeopardized the country's image and served to discredit Hungary. When a number of people state that Hungary's foreign image has deteriorated in recent years, we must see that the ground was already prepared in which the seeds sown by the irresponsible statements and writings of certain politicians brought a rich crop. The incident at Kossuth Square and its presentation made a major contribution to the growth and strength of this yield.

Quotations from the media also support the fact that endangering the image of Hungarians is especially harmful to the future of Hungarians living beyond the borders because in this way it is easier to give the impression that their rightful and legal efforts are extremes, it is easier to show the Democratic Union of Hungarians in Romania [RMDSZ—UDMR in Romanian] together with the extreme right-wing and extreme left-wing Romanian parties (as has happened), and it is easy to call the Hungarian Government's measures in support of the rights of Hungarian communities over the

border dangerous and destabilizing and to attribute completely nonexisting intentions to them.

The damage is not yet irreparable, as Hungary still has significant prestige and trust—the latter was spectacularly demonstrated by the recent visit of the U.S. secretary of state and is supported by several public and confidential assessments, but we have to stop the tendency that may lead to Hungary's devaluation. This would have moral and very tangible economic consequences and, in fact, the success of the whole transition would be endangered. Devils might exist, but if we keep talking about them then they might multiply and can properly frighten the world. In the interest of Hungary's good image and the nation's future, political forces and the media should jointly keep the bad spirits away from our country.

Finance Ministry Forecasts Drop in GDP

LD0111163693 Budapest MTI in English 1446 GMT 1 Nov 93

[Text] Budapest, November 1 (MTI-ECONEWS)—The Ministry of Finance has forecast a 1-3 per cent decline in Hungary's GDP [gross domestic product], with a total of USD 8.5-9 billion in exports and USD 10.5-11 billion in imports for this year, a recently published Finance Ministry report says.

The deficit in the current account is expected to be between USD 2 billion and USD 2.5 billion. Hungary's net foreign debts are expected to grow by USD 0.5-1 billion if direct foreign cash investment remains at the same level as last year.

Individual cash income rose by 17 per cent in the first eight months of this year, six percentage points lower than the increase in consumer prices.

Personal savings rose by HUF [Hungarian forints] 142 billion in January-August, as against a HUF 201 billion increase in the same period of last year.

The volume of retail trade began to increase in July and August but the January-August volume was still 1-2 per cent less in real terms than in the same period of last year.

On the basis of these figures, the Finance Ministry expects real income to fall by 5-6 per cent over the whole of this year, while personal consumption will probably decrease by 0-1 per cent.

Industrial production showed a 3.4 per cent increase in the January-August period, while industrial sales increased by 2.4 per cent.

At the same time, agricultural production declined further, with a 20 per cent drop in cereal production and a decrease in the number of livestock. Food industry production fell by 7 per cent in the first eight months of the year, with a 3-5 per cent decrease forecast for the whole of the year.

Concerning monetary trends, the Finance Ministry points out that central budget borrowing has risen significantly, while corporate borrowing has decreased.

January-August industrial producer prices were an average 11.8 per cent higher than the previous year, while agricultural procurement prices rose by 23 per cent.

Due to depreciation of the forint, industrial export prices rose at a faster pace than domestic sales prices, resulting in growing profitability for exports.

As a result of an increase in VAT on August 1, consumer price inflation accelerated in August and September to 1.8 per cent in August and 2.9 per cent in September. As a consequence, the consumer price level was 22.8 per cent higher than in the first eight months of last year.

The Finance Ministry expects industrial producer prices to rise by 11-12 per cent and consumer prices to increase by approximately 23 per cent over the whole of this year (a similar rise as last year).

Deputies Criticize Implementation of Compensation

LD0211134393 Budapest Kossuth Radio Network in Hungarian 1000 GMT 2 Nov 93

[Excerpt] [Announcer] There was a sharp debate on compensation in the National Assembly before the daily agenda today. Andras Kerekes reports.

[Kerekes] Andras Nagy, deputy of the Alliance of Free Democrats [SZDSZ], said that compensation can be described as complete chaos today. The operation of land distribution committees are unfounded financially. There is not enough land to distribute. Even if everything was alright concerning them, auctions would have to be postponed because of lack of money.

At that time the Free Democrats warned that there was a need for a compensation law that could be implemented. Otherwise millions would feel they are being cheated, for which some must take responsibility, said Andras Nagy.

In response, Laszlo Medgyasszay, political state secretary at the Ministry of Agriculture, said that additional land allocation is under way and that interministerial coordination of a normative regulation of the refunding of costs of the land distribution committees has begun. Payments will soon start. A detailed report will be submitted [to parliament] on the state of the compensation process at the course of the Day of Agricultural Debate due in December. [passage omitted]

Journalists Demonstrate Against TV, Radio Measures

AU0211163793 Budapest MTI in English 1740 GMT 30 Oct 93

[Text] Budapest, 30 October (MTI)—For a long time now, the freedom of the press has been at stake instead of

just programs, journalists, radio, and television. Freedom of the press, by which citizens can control power, is one of the most important fundamental principles and means of all democracies, journalists stated at a demonstration in front of Parliament on Saturday [30 October].

Journalists and citizens afraid for freedom of the press were invited for the silent demonstration, which started in front of the television headquarters, by the Chamber of Radio Journalists. Demonstrators then went to Parliament in protest against recent developments in the two public service media, radio and television. Several thousand people demonstrated against personnel and program policy measures by Radio and Television Vice-Presidents Laszlo Csucs and Gabor Nahlik, who also have a presidential scope of authority.

In their petition, which they placed into the hands of the statue of Lajos Kossuth, leader of the 1848 Hungarian freedom fight, on the square in front of Parliament, the demonstrators said, "radio and television have again become weapons in the hands of governing power, and are directed against those for whom free press has been invented." No official speaker spoke at the silent demonstration.

Significant Drop in Construction of New Housing

LD0211134893 Budapest MTI in English 1248 GMT 2 Nov 93

[Text] Budapest, November 2 (MTI-ECONEWS)—Just 12,593 homes were built in Hungary in the first nine months and only 15,000 forecast for the year, down significantly from 25,000 last year, according to Central Statistical Office (CSO) figures.

However, a CSO report says, this year's estimate may be exceeded, as 30-40 per cent of new homes are usually completed in the fourth quarter.

To end-September, only 1,700 new homes were built by companies for sale, with most built for owners. Few were constructed by local councils or the state.

In the first nine months, 11,000 building permits were granted by local authorities and 1,606 homes were demolished.

Ministers Cited on 1994 Budget Provisions

LD0211220393 Warsaw TVP Television Second Program Network in Polish 2000 GMT 2 Nov 93

[Relayed by Polonia television network]

[Text] The budget for next year will be prepared this year. The Council of Ministers will as quickly as possible send to the Sejm a draft proposal for postponing the deadline for completion of work on the 1994 budget from 15 November to 29 December. The government would like the Sejm to consider the draft at its coming meeting.

[Unidentified correspondent] The Council of Ministers considered which of the 55 draft laws prepared by the previous team should be considered by the Sejm as quickly as possible and which require amendment. After a meeting lasting several hours, it was decided to send to the Sejm five bills from the Pact on [State] Enterprise, and also bills on the financing of parishes, and on authors' copyright. A bill on the taxation of tobacco products was withheld since it will be included among the other taxation bills. Two additional drafts were also proposed, on postponing the deadline for preparation of the budget for next year, and also on the financing of the budget deficit for this year by the Polish National Bank. [video cuts to show Premier Waldemar Pawlak speaking]

[Pawlak] I believe that we will return to these matters at the next meeting of the Council of Ministers so that we can look more precisely at specific proposals and decide whether they will be sent to the Sejm or whether they will be subjected to separate treatment.

[Correspondent] The new government team has given the assurance that the budget deficit for this year will not exceed 87 trillion [zloties]. Commercial banks do not want to finance it, and it is only thanks to large incomes from value added tax that the threat of its increase has been ameliorated. In this connection it is not possible to implement the promises of the previous government. It announced increases of payments for the budgetary sphere from 1 December. The revision of state expenditures is missing from among the 55 bills [left by the previous government] and without this the increase is impossible, the finance minister said. [video cuts to show Marek Borowski, deputy premier and minister of finance, speaking]

[Borowski] The preparation of this law by us, passing it through the Sejm, causes the 1 December deadline to be nullified. [video cuts to show Aleksander Luczak, deputy premier and Minister of national education, speaking]

[Luczak] The possibility of an increase is being considered. Unfortunately, however, it will not be for Christmas, that is, not in December. On the other hand, I think that it will be in the New Year, in January.

[Correspondent] The government has given a free hand to parishes that take over schools on their territory from 1 January. It has been promised that those parishes that cannot afford it will continue to be supported by the state budget.

Most Suchocka Bills To Be Resubmitted to Sejm

LD0211193893 Warsaw PAP in English 1737 GMT 2 Nov 93

[Text] Warsaw, Nov. 2—The greater part of bills submitted to the Sejm (lower house) by the Suchocka government will be sent to the chamber again, several of them urgently, the cabinet decided at its meeting Tuesday [2 November].

The cabinet has not managed to examine all the 55 bills drafted by the previous government. However, it has decided to submit to the Sejm again five out of the six bills forming the pact on state enterprise, most budget-related bills, the copyright bill and the bill on financial resources of communes.

The government has decided to postpone for a week the examination of a package of bills related to the public administration reform.

Prospects for KLD-Democratic Union Merger Viewed

PM0111111193 Wroclaw GAZETA ROBOTNICZA in Polish 20 Oct 93 pp 1-2

[Article by "ESZ": "Shock Therapy"]

[Text] Will the Democratic Union and the Liberal Democratic Congress [KLD] join ranks together? The Democratic Union has addressed such a proposal to the KLD. Representatives of the leading teams of both parties gave statements on their view of the future to GAZETA ROBOTNICZA.

Wladyslaw Frasyniuk, Sejm deputy and Democratic Union deputy chairman: "Our contacts with the Liberal Democratic Congress already have a tradition of their own. We started them two years ago, when we were members together in the so-called small coalition (Democratic Union, KLD, and the Polish Economic Party [PPG]). At that time we quite often spoke of the inevitable unification process which our parties were bound to undergo. The reason for the inevitability was that there were no fundamental differences between us in either economic or ideological questions. That was why it was unfortunate that during the latest election we did not set up an election coalition and instead competed for the same electorate, despite the fact that we did make efforts to create such a coalition at the beginning of the election campaign. However, we ran out of time to see that project through to the end. That, in turn was because were were not interested in setting up a temporary coalition structure to see us through the election, but instead wanted to create a stable and permanent configuration which would be free of any mutual resentments and recriminations.

"Now, in a new political situation, we need to reach an agreement with the KLD even more urgently. However, since our appeals promoting the idea of unification fell on deaf ears, we decided to apply a kind of shock therapy. We are through with the model of dialogue conducted through press statements and interviews. We must meet and talk face to face. From this perspective, we view Zofia Kuratowska's utterances on the future of the Democratic Union and the KLD, as well as Jan Maria Rokita's ideas of transforming the Democratic Union into a 'bourgeois' party, as inherently harmful to our cause. During the initial session of the KLD's social-liberal faction, Kuratowska in all probability tried to provide a counterweight for Rokita's ideas by calling for cooperation with the Union of Labor. This now could prove an obstacle in finding common ground for an agreement between the Democratic Union and the KLD, even though our own party leadership almost unanimously supported Union of Labor's unification proposal addressed to the KLD. We believe that our political stage needs a strong center party and we hope that such a party, created by us together with the Liberals, will reinforce the Democratic Union's center-stage position. We are waiting for the KLD congress, which is scheduled for November, and for the decisions on the KLD's future which should be made during the congress. As for ourselves, we have already gathered some experience of entering into alliance with other parties—as with Aleksander Hall's group, which subsequently left the Democratic Union to transform itself into the Conservative Party—and we are open to all proposals concerning the name of the eventual new party, the method of setting it up, the composition of the leadership group, its political guarantees, and so on. We will need to prepare the ground for a unification congress during which joint decisions can be made on questions essential for the new political formation. Let me add that here in Wroclaw, on the local tier of the party structure, we are fully prepared for discussions and ready to accept the possible unification process."

Grzegorz Schetyna, KLD general secretary: "The KLD is not necessarily condemned to oblivion, but the election result nevertheless indicates that the Liberals now stand no chance of playing a major political role in Poland on their own. Consequently, the realization that from now on our scope for influencing the economic policy and the activity of state institutions could be severely curtailed forces us to rethink our situation.

"Therefore, joining ranks with the Democratic Union is one of the options in mapping out the future for the Liberals. Indeed, this is the most attractive option at the present time. Of course, we must carry out extensive talks on the details of the possible unification process, but such a solution is certainly possible.

"Today a session of the KLD National Board will be held in Warsaw and it is to be expected that these questions will be included in the agenda."

Walesa, Turkish President Sign Agreement

LD0311103093 Warsaw Third Program Radio Network in Polish 1000 GMT 3 Nov 93

[Excerpt] The presidents of Poland and Turkey, Lech Walesa and Suleyman Demirel, signed an agreement on friendship and cooperation between the two countries in the Belvedere [palace] today. An agreement on avoiding double taxation was also signed.

Before the official talks began both presidents made brief statements on bilateral relations and on possibilities for cooperation in European economic organizations and in NATO. Suleyman Demirel has invited Lech Walesa to visit Turkey. [passage omitted]

Serbs Permit Blocked Ships To Proceed

AU0211170393 Bucharest Radio Romania Network in Romanian 1400 GMT 2 Nov 93

[Text] A short time ago, Mr. Bone Stan, general director of the Giurgiunav SA Danube shipping company, informed our reporter, Doru Dinu Glavan, that the two ships—the Steaua Dunarii and the Steaua Deltei—this morning passed through the blockade near Belgrade imposed by the nongovernmental organizations White Rose and New Byzantium. He also informed us that they are currently at a port on the Romanian border where a customs inspection is being carried out before they leave Yugoslav territory.

Mr. Bone Stan thinks that in a few hours the two ships may be on our country's territory. At the same time, the general director specified that the losses caused by the blockage of the two ships for several days amount to some $25,000.

A last minute message from the head of Constanta Radio Club, Mr. Radu Bratu, informed us that the two Romanian ships—Steaua Dunarii and Steaua Deltei—have left the port of Belgrade.

Foreign Minister Receives COCOM Ambassadors

AU0211175893 Bucharest ROMPRES in English 1528 GMT 2 Nov 93

[Text] Bucharest, ROMPRES, 2/11/1993—Romanian Minister of State and Foreign Minister Teodor Melescanu met on Tuesday, 2 November, with the ambassadors of the 17 states members of the Coordination Committee on Multilateral Export Controls [COCOM].

The participants at the meeting were briefed with regard to the results of the recent visit to Bucharest made by a COCOM delegation headed by the president of the COCOM Forum Mr. F. A. Engering.

At the same time, the Romanian foreign minister expressed Romania's desire to see procedure aspects finalized with respect to the second stage of trade liberalization of COCOM-controlled goods as both sides had economic interests in this progress.

Government Approves Salary, Pension Indexation

AU0211202593 Bucharest ROMPRES in English 1754 GMT 2 Nov 93

[Text] Bucharest, ROMPRES, 2/11/1993—The executive approved in its Tuesday, 2 November meeting, the draft resolution on salary indexation for the fourth quarter 1993 and the minimal all-nation gross salary.

Indexation ratios will differ from 17.8 percent for companies in which the state holds the majority of stock, and for public corporations that settle their employees' salaries by negotiations, to 22.2 percent for state institutions. The percentages above include the 3.5 [percent] correction compensating for the third quarter price differentials, when prices went up by an extra 6.3 percent than estimated, Adrian Neacsu, secretary of state at the Ministry of Labor and Welfare said.

Indexation coefficient for the fourth quarter gives a 65 percent coverage to price rises. The average gross indexation per employee stands at lei 16,245.

The minimal gross salary for all Romania was set at lei 40,200 with effect from 1 October 1993.

The Romanian Government approved in its Tuesday, 2 November sitting, the draft resolution for the indexation of pensions and other incomes over the fourth quarter 1993.

For the correction of the ratio between average pensions and wages, indexation was differentiated by degrees. State insurance pensions for complete length of service will be augmented by 30 percent, pensions for incomplete length of service, other types of pensions—including successor's pensions—will grow by 25 percent. The budget will earmark a monthly 30 billion lei to cover the raise.

Pension supplements and farmers' pensions will be given a 28 percent rise, identical with social benefits, heroes' mothers' allowances, and the bonuses granted to the disabled, the war veterans and war widows. The same correction will be made to children's state allowances, students and pupils' scholarships and benefits.

For Army pensions, indexation will form the subject of another resolution stipulating differentials as to the date of passing from active service to reserve.

Nastase Discusses PDSR International Relations

AU0211202793 Bucharest ROMPRES in English 1704 GMT 2 Nov 93

[Text] Bucharest, ROMPRES, 2/11/1993—At the weekly press conference of the Social Democracy Party of Romania (PDSR—ruling party), its executive president, Adrian Nastase, dwelt on the activities of PDSR's Department of International Relations.

Adrian Nastase informed the press about the demarches made by PDSR for affiliation to the socialist international. He assessed that this integration in the structures of the socialist and social-democratic parties' family would be a long lasting one.

At the close of the newsbriefing Mr. Nastase distributed a press release which informs about the meeting in London of Mr. Prisacaru, head of PDSR's Department of International Relations, with Luis Ayala, secretary general of the Socialist International, at its headquarters, on which occasion the two discussed aspects related to developing the contacts and cooperation between the representative forces of social-democracy in Europe and

the whole world in the prospective association of the PDSR to the Socialist International.

Statistical Data on Recent Economic Performance

AU0211111293 Bucharest ROMPRES in English 0926 GMT 2 Nov 93

[Text] Bucharest ROMPRES, 2/11/1993—The industrial output was 4.8 percent higher in September 1993 as against August, and 11.1 percent higher than in September last year, reads a synthesis made by the National Statistical Board.

As for agriculture, an increase in livestock was reported at all species. The amount of wheat and rye sold by farmers to the state over the first nine months of 1993 was 46.1 percent higher than in the similar period of last year.

Hard currency exports stood at $583.3 million in September 1993, 7.5 percent higher than in August and 51.3 percent higher than in September 1992. Imports were worth $559.9 million, 10.6 percent higher than in the previous month and 76.5 percent higher than in September 1992. A surplus of $23.3 million was reported in the trade balance. Hard currency exports totalled $3,166.6 million over the first nine months of 1993 (6.7 percent higher than over the similar period of last year) and imports totalled $3,761.3 million (6.7 percent higher than over the first nine months of last year). The trade balance had a deficit of $594.7 million over the first nine months ($618 million over the first eight months.)

Private economic companies made hard currency exports over January-September amounting to $840 million, namely 26.5 percent of the total exports, and imports of $1,132.9 million, that is, 27.8 percent of the total imports. The exports of private companies increased 13.6 percent over that of the same period of last year, while their imports decreased by 9.3 percent. Exports to West European countries stood at almost half of the total and those to Central and East European countries at 15 percent. Imports from developed countries stood at 60.5 percent of the total imports.

Retail sales more or less equalled those in August, but were 21.8 percent lower than those in September 1992. Sales over the first nine months of 1993 stood at 74 percent of those of the similar period last year. Sales by private companies accounted for 50.4 percent of September 1993 sales and 48 percent of the sales over the first nine months (as against 42.9 percent over January-September 1992.)

Average salaries stood at the level of last month (99.6 percent.) They were 3.2-fold higher than in September 1992 and 37-fold higher than in October 1990 (when prices were liberalized.) The ratio between the index of net pays and the index of prices was 89.1 percent as compared to the same period last year. In September it stood at 89.9 percent of last September's and at 59.3 of that of October 1990.

The number of unemployed was 1,046,385 people on October 18 (16,537 persons more than in August this year,) the unemployment rate being 9.2 percent.

Opinion Poll Shows 49 Percent Trust Iliescu

AU0211163593 Bucharest ROMPRES in English 1429 GMT 2 Nov 93

[Text] Bucharest, ROMPRES, 2/11/1993—An opinion poll conducted over 17-19 October by the Center for the Study of the Public Opinion (CSOP) Gallup UK reveals that 43 percent of Romania's population think this country is on the right course, while 33 percent think otherwise.

About living standards, 33 percent of the interviewed fear life in Romania would be worse in a year's time, 28 percent do not hope for any change to the better, while 20 percent do.

As a foremost preoccupation of the government 49 percent think it should be a way to stop prices from soaring, 14 percent the raise of wage earnings, 18 percent the reduction of unemployment and 16 percent the fight against corruption.

The recent admission of Romania as full member of the Council of Europe is seen as likely to have positive effects on their personal situation by 20 percent of the interviewees, on this country as a whole by 61 percent and on the government's activities by 53 percent.

Confidence in President Ion Iliescu is shared by 49 percent, while 32 percent do not trust him. Distrust in parliament was expressed by 56 percent and distrust in the present government by 45 percent.

CSOP, which is based in Bucharest, conducted the poll on a batch of 1,162 persons aged above 18 and allows for a margin of error of 3 percent.

Foreign Media Bulletin: Balkan Crisis 3 November

WA0311175593

The following is an overview of current FBIS reporting on events in the Balkans. It supplements other FBIS reporting and consists primarily of selected summaries of longer reports. For reference purposes, serial numbers of the longer reports are provided.

SUMMARY

Krajina Serbs say talks with Croatian Government in Norway suspended without agreement; Croatian President Tudjman denies meeting with Serbian President Milosevic planned ... Tudjman presents new peace initiative ... Bosnian Army reportedly driving Croats out of Vares ... Bosnian Government dismisses Chief of General Staff Halilovic, other ranking officers.

DIPLOMATIC

SERB-CROAT TALKS SUSPENDED (TANJUG, Zagreb TV): Delegation of Krajina Serbs reports that although "high degree of accord" had been reached with Croatian delegation in first day of peace talks in Oslo, negotiations fell through on the second day after Croats "received an urgent message" from Croatian President Tudjman " forcing them to adopt completely different stands." Tudjman denies media reports that he had scheduled a separate meeting in Oslo with Serbian President Milosevic. (LD0211233693, LD0211225493)

TUDJMAN PRESENTS PEACE INITIATIVE (Zagreb Radio): Tudjman presents peace initiative granting "full local autonomy and self-government" to Serbs in Knin and Glina, "cultural autonomy" for all Serbs in Croatia, including "right to education in their own language and script." Initiative calls for formation of "special international supervisory body" and a "special court" to ensure protection of rights. Tudjman urges convocation of new round of talks on Bosnian war that would include representatives from United States, France, Germany, Russia, Turkey, and Great Britain. (LD0211205693)

MILITARY

BOSNIAN ARMY DRIVES CROATS OUT OF VARES: Zagreb Radio reports that Bosnian Croat defense lines fell to Bosnian Army offensive in Vares, while TANJUG says 15,000 Croats, "mostly men, women, children," fleeing area, heading through Serb-held territory toward Croatia. (LD0311110793, AU0311122393)

BOSNIAN OFFICERS SACKED (AFP): Bosnian Government dismisses Bosnian Army Chief of General Staff Halilovic but denies it has placed him under "house arrest." Army replaces corps commanders in western Bosnia, where it has attempted to quell a Muslim rebellion, and Mostar, where it has been outgunned by Croats. (AU0311110793)

Army Drives Croatian Forces Out of Vares

LD0311110793 Zagreb Radio Croatia Network in Serbo-Croatian 1000 GMT 3 Nov 93

[Text] After a one-sided battle, in which Muslim aggressors had more men, Croatian Defense Council [HVO] units failed to retain the defense lines of Vares, HVO General Staff reports. The Muslim army has cut all communications links and thus blocked all exits from the town. About 15,000 civilians in Vares, its suburbs, and places in the Vares municipality are now at a risk of dying. The Herzeg-Bosna HVO General Staff has sent a request to UNPROFOR [UN Protection Forces] in Medjugorje to take urgent and effective steps in order to protect the people of Vares who are encircled.

The request adds: We have information that the massacre of civilians has already started in the villages of Tribija, Pogar, (Borovica), Ivancevo, and (Vijaka). All humanitarian organizations and protection forces are called on to ensure the unhindered exit of these people.

There have been no major clashes in other places in central Bosnia and along the defense lines of the Mostar operational zone.

[Belgrade TANJUG Domestic Service in Serbo-Croatian at 0942 on 11 November, in a report on the Vares situation, adds:

"The General Staff of the HVO today announced that civilians are also being subjected to brutal attacks by the Muslim armed forces. The situation is difficult in the Kiseljak municipality, which is under general alert, and, Croatian Radio reports, there are signs of a hepatitis epidemic in the area.

The Kresevo municipality has also been a target of Muslim mortar attacks and the village of Drmac has taken the brunt of the attack."]

Croats Fleeing

AU0311122393 Belgrade Radio Beograd Network in Serbo-Croatian 1200 GMT 3 Nov 93

[Text] This morning 15,000 Croats from several towns in central Bosnia, mostly women, children, and elderly people fleeing from the onslaught of the Muslim units, headed via Vares toward the Serbian territories in the direction of Ilijas and Semizovac, and from there toward the Republic of Croatia, the Serbian military sources in Lukavica have reported.

The Serbian side has guaranteed a safe passage through all Serbian territories to the Croatian refugees from central Bosnia.

Government Dismisses Halilovic, Replaces Officers

AU0311110793 Paris AFP in English 1041 GMT 3 Nov 93

[Text] Sarajevo, Nov 3 (AFP)—The Bosnian government dismissed Wednesday [3 November] its army's chief of staff, Sefer Halilovic, and replaced several other ranking officers.

Halilovic, who allegedly was involved in covering up war crimes, was replaced by Even Hadzihasanovic, the former commander of the army's third corps based in the central town of Zenica, according to a communique issued by the Bosnian presidency.

Arif Pasalic and Ramiz Drekovic, the commanders of the army's 4th and 5th Corps based in Mostar and Bihac, were relieved of their duties at their own request and replaced by Sulejman Budakovic and Arif Dudakovic.

Commander Mehmed Alagic took over the 3rd Corps.

Military authorities denied government reports that Halilovic has been under house arrest since Sunday but admitted that he was questioned in connection with war crimes committed last September in the Croat-populated village of Grabovica.

Halilovic at the time allegedly acted in concert with Sarajevo rebel chiefs Musan Topalovic Caco, killed last week in a crackdown of security forces, and Ramiz Delalic Celo, who was arrested. Warlord Zulfikar Alispago, also known as Zuka, whose stronghold was in the Konjic region, was reportedly also involved.

According to so far unpublished documents, Celo troops cordoned off the village and killed 30 ethnic Croats.

Halilovic's troops occupied a few hills in the region but lost them later.

The replacements Wednesday were the latest in a series of steps taken by Bosnia-Herzegovina's new multiethnic presidency and Prime Minister Haris Silajdzic's cabinet to revamp the army, after they put it under civilian authority

New 5th Corps Commander's Record Condemned

LD0311111793 Zagreb Radio Croatia Network in Serbo-Croatian 1000 GMT 3 Nov 93

[Text] Reacting to information that Ramiz Drekovic, commander of the 5th Corps, has been replaced by Atif Dudakovic, the defense ministry information service and the police of the autonomous province of western Bosnia has issued a statement saying that Atif Dudakovic is an even greater extremist than Drekovic and that it was Dudakovic who committed the first crimes against the innocent villagers of Skokovi and Johovica.

Western Bosnia Restores Relations With Croatia

LD0211145393 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 2 Nov 93

[Report by journalist Darko Dovranic]

[Excerpt] Ten heavy trucks and four tank trucks unaccompanied by UN Protection Forces have left Velika Kladusa for Zagreb. This is the result of an agreement signed by president [of the autonomous province of western Bosnia] Fikret Abdic and representatives of the Croatian and Serbian sides. After nearly two years the economic blockade of western Bosnia has thus been lifted. [passage omitted]

Karadzic Supports Move To Open New Corridor

LD0211235093 Belgrade TANJUG Domestic Service in Serbo-Croatian 2159 GMT 2 Nov 93

[Excerpt] Pale, 2 Nov (TANJUG)—President of the republic of Srpska Radovan Karadzic told the Serb Television Studio S this evening that "the Serbs never wanted civilians to suffer in this war," and that the Bosnian Serbs accept the suggestion to open a new Bar-Sarajevo corridor.

"We have received tens of thousands of Croats on our territory, and even many Muslim civilians, and we have heard that more Muslim civilians will find shelter on our territory. What we can do is make possible a constant flow of humanitarian aid, and—in cooperation with Vladislav Jovanovic, foreign minister in the Yugoslav Government—we have accepted the suggestion for the humanitarian aid to be delivered through our territory. That is the shortest route which crosses our areas where peace reigns and people lead a normal life, and there will be no problems," Karadzic said. [passage omitted]

Krajisnik: 'No Optimum Agreement' Reached on POW's

LD0311014793 Belgrade TANJUG in English 2356 GMT 2 Nov 93

["Pool" item]

[Text] Lukavica, Nov 2 (TANJUG)—A Bosnian Serb official said on Tuesday [2 November] that Moslems and Serbs reached no optimum agreement on prisoner exchanges because the Moslem side was delaying to resolve the question of two of their prisons.

Speaker of the Bosnian Serb parliament Momcilo Krajisnik, who headed the Serbian delegation to the talks at Sarajevo airport, said it had nevertheless been agreed to resolve the question as soon as possible.

Krajisnik also said it would not be true to say that the Moslems were not interested in normalizing relations (with the Serbs). Their problem is that they have no central authority, he added.

He said he hoped that the new Moslem Prime Minister, Haris Silajdzic would take some action for honouring the commitments undertaken by the Moslems in a declaration they cosigned with the Serbs for a peaceful settlement of the Bosnian conflict.

Under the document signed in Geneva on September 16 by Krajisnik and Bosnian Moslem leader Alija Izetbegovic, the two sides undertook to cease all hostilities by September 18 at the latest and to start with an unconditional release of all prisoners on September 21.

If the Moslems continue to stall, the Serb side will inform the cochairmen of the Geneva conference on the former Yugoslavia that the Moslem side simply did not want to meet the obligations stemming from the declaration.

Krajisnik and Silajdzic, who headed the Moslem delegation to the talks at Sarajevo airport, met ten days ago to discuss the exchange of prisoners which had not taken place because, as Krajisnik said, "the Moslems have many technical problems and local chieftains who are hindering the exchange."

He also said that the Serbian side had raised the question of allowing civilians to leave Sarajevo and that the Moslem authorities had been preventing for months a convoy with over 1,000 people from leaving the city.

Krajisnik said that the latest Serb-Moslem talks also covered issues concerning reinforcement of peace, suspension of sniper fire, restoring communications and opening a corridor for humanitarian aid deliveries to Sarajevo.

Serbs Say Muslim Arms Factory Resumes Production

LD0211154993 Pale Radio-Televizija Republike Srpske Studio-S Radio in Serbo-Croatian 1400 GMT 2 Nov 93

[Text] According to Serbian military sources, Muslim forces loyal to Alija Izetbegovic have been receiving ammunition supplies mostly from the Igman factory [former Yugoslav People's Army factory] in Konjic [Muslim-held town north of Mostar]. After a long pause caused by a lack of raw material, this factory has started production again. Ammunition of various calibers is produced in this factory as well as shells for 82mm and 120mm mortars. According to Colonel Risto Lazarevic, commander of Serbian units in the village of Bijela near Konjic, the factory is supplied with mine detonators by smugglers from UNPROFOR [UN Protection Forces] ranks. Lazarevic said that ammunition from this factory is transported to Muslim soldiers by helicopters belonging to the Ministry of Internal Affairs of Muslim Bosnia-Herzegovina and painted white with Red Cross markings. The Igman factory in Konjic is built underground and it is designed to survive nuclear strikes. It was built at the same time as the underground command center in Ljuta near Konjic from where Josip Broz Tito was supposed to have conducted military operations in case of an attack on the Socialist Federal Republic of Yugoslavia.

Tudjman Presents Peace Initiative

LD0211205693 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 2 Nov 93

[Text] [Announcer] Good evening dear listeners. Croatian President Dr. Franjo Tudjman held a meeting today with ambassadors of foreign countries accredited to Croatia, during which he presented his peace initiative for ending the war and opening up a path toward peace and resolution of political and economic problems on the territory of former Yugoslavia. This is the full version of President Tudjman's peace initiative:

[Begin Tudjman recording] Deeply concerned over the deadlock in the Geneva conference on former Yugoslavia, and the lack of success of all other efforts to stop the war and armed hostilities on the territory of the Republics of Croatia and Bosnia-Herzegovina, I consider it my duty as a statesman to propose to the international community, particularly to all the relevant international factors, a peace initiative that would stop the war and horrors it entails and open up a path toward peace and understanding and resolution of political and economic problems on the territory of former Yugoslavia.

1. A proposal on the implementation of the peace plan on the territory under UN protection in Croatia: In order to implement as soon as possible UN Security Council Resolution 871 and other resolutions that this resolution refers to, the Republic of Croatia is proposing as follows:

1) The Croatian Government is ready to conclude an agreement on the cessation of all hostilities within 15 days with local Serbs representatives, giving them guarantees of local and cultural self-administration.

2) To this effect, we are proposing that within the same deadline, the work of joint commissions be restored for the resolution of all issues mentioned in the Vance plan and the implementation of provisions of the UN Security Council Resolution 871, with the participation of representatives of UNPROFOR [UN Protection Forces] and the European Community.

3) We are proposing that the normalization of the overall social and economic life in the UN Protected Areas starts as follows:

By opening without delay all roads and railroads throughout the Republic of Croatia, particularly the Zagreb-Knin-Split, Zagreb-Slavonski Brod-Zupanja, Novska-Okucani, Pakrac-Daruvar, Sisak-Glina-Bosanski Novi, Osijek-Beli Manastir-Hungarian border, Osijek-Vukovar, Osijek-Vinkovci, Osijek-Ilok roads and railroads, and so on.

By opening the Adriatic oil pipeline, and by repairing and restoring full operation of facilities for the transport of oil, electricity, and water supply systems throughout Croatia.

By the return of all refugees without delay to their homes under the supervision and with effective help from UNPROFOR and the authorities of the Republic of Croatia.

By taking measures to establish normal life in the UN Protected Areas, including: The restoration of all communications, the provision—in the upcoming winter—of supplies for everyone, including, without any discrimination, the Serb population; the reestablishing of social and health care; the normal functioning of the educational system; the supplies of electricity and other sources of energy; the payment of pensions; the employment of all civil servants [as received]; and the inclusion of all remaining services into the overall economic and legal system of the Republic of Croatia by drawing plans and taking measures for the equal involvement of the UN Protected Areas into Croatia's economic revival.

4) In order to find a political settlement to the conflict and to normalize life in all its aspects, Croatia is ready—within the framework of its constitutional and legal system—to provide the implementation of its laws—as well as international conventions on the protection of rights and freedoms of the Serb ethnic community—in the UN Protected Areas.

The following will be undertaken in this view: Full local autonomy and self-government will be granted within the framework of the constitutional law in the districts of Knin and Glina, in which the Serbs constitute more than half of the population; the guarantee of rights to cultural autonomy of the Serbian ethnic community throughout Croatia, and especially the right to education in their language and [Cyrillic] script according to special curriculums, and the writing of toponyms in two languages in areas where they constitute more than 50 percent of the population; elections will be held for local, district, and municipal self-managing authorities under international supervision; a special police force will be founded in the districts of Knin and Glina, whose ethnic composition will reflect the ethnic composition of the population according to the latest censuses.

5) In order to ensure full civil and political equality, and the effective protection of civil and ethnic rights of the Serbs in Croatia, Croatia is ready to accept the formation of a special international supervisory body and a special court for human rights, to which any citizens will be allowed to appeal after the regular legal procedures have been exhausted. In order to ensure the protection of special rights, the districts of Knin and Glina will be allowed to appeal to the Constitutional Court of the Republic of Croatia by filing constitutional charges if they believe that human rights and freedoms, or the rights of the ethnic community in their area have been violated.

6) In its desire to see the establishment of full trust, Croatia is ready to table a proposal on special international supervision and mediation by the CSCE observer mission in the negotiations between the minority and majority populations.

7) The Republic of Croatia is ready to commence negotiations on a political resolution to all open issues except for those that could jeopardize its territorial integrity and sovereignty.

2. A proposal on an end to the war and the establishment of peace in Bosnia-Herzegovina: At a fateful moment, when it seems that there is no way out of the tragic sequence of events in Bosnia-Herzegovina, and when it is unlikely that the orientation to convene fresh, prolonged international conferences will be productive, I propose that international factors resume the work of the Geneva conference on the basis of agreements reached so far on the constitutional setup of Bosnia-Herzegovina as a union of republics. In order to ensure the maximum effectiveness of the resumed conference, I propose that the representatives of those countries capable of having the most decisive influence on the outcome of the crisis in Bosnia-Herzegovina and former Yugoslavia be included in the further work of the conference, in addition to the cochairmen of the Steering Committee. These countries are France, Germany, the Russian Federation, the United States, Turkey, and Great Britain.

1) The convocation of a fresh round of the Geneva talks should compel all the three warring sides, under the threat of sanctions, to do the following within a 14-day period: sign an agreement on the unconditional and immediate cessation of hostilities and all armed operations and, if they refuse to comply, to demand that the UN Security Council pass a resolution prescribing this under the threat of armed force, and to sign a declaration on the acceptance of a constitutional agreement on the union of republics of Bosnia-Herzegovina and all annexed agreements.

2) I propose that disputed issues pertaining to demarcation between the members of the union of Bosnia-Herzegovina be resolved through bilateral negotiations. If the outcome is unsuccessful, the reaching of a final decision should be entrusted to a special body of arbitration designated by the cochairmen of the Steering Committee, and the other participants in the conference.

3) I propose that the belligerent sides pledge themselves to ensure and guarantee the free passage of humanitarian aid to all sides and, wherever this is necessary, to immediately commence the exchange of all prisoners and close down all internment centers, as well as to assume full responsibility for the treatment of prisoners in accordance with international humanitarian law; to provide international supervision and the free movement of representatives of international organizations who will supervise the implementation of the measures mentioned above.

4) The implementation of the peace plan can be ensured by NATO forces that will assume the present UNPROFOR's role, and will be authorized to use force, including air strikes against everyone violating the cease-fire or hampering the dispatch of humanitarian aid, and the international supervision of the implementation of agreements.

3. Measures proposed to ensure permanent and stable peace: In order to permanently keep and consolidate the peace restored with such difficulties, I propose that all countries on the territory of the former Yugoslavia do the following in the framework of a peace conference and under the auspices of the UN secretary general and the Security Council:

1) Sign a solemn declaration on the mutual recognition of the independence and sovereignty of all newly-formed states within their internationally recognized borders.

2) Sign—within three months—an agreement on the succession of rights and obligations of all states-heirs to the former Yugoslavia on the basis of an arbitration commission.

3) Launch negotiations on reaching agreements—within the framework of the European processes of integration—between themselves and other European states on the regulation and promotion of economic relations, communications, trade, and other issues of interest for relations between sovereign and independent states who want to have good-neighborly relations, as well as for the stability of international order in this part of the world.

4) Sign—within the framework of the conference—a solemn declaration on the respect for the rights of national minorities and ethnic communities in line with international standards and conventions, with the simultaneous introduction of international control of the implementation of these agreements.

5) Immediately begin negotiating on reaching agreements on regional security of the countries on the territory of the former Yugoslavia within the framework of the overall system of limiting conventional armament within the CSCE.

6) I believe that the UN Security Council sanctions—passed against certain countries on the territory of the former Yugoslavia—should remain in force until all aims of the proposed peace process are realized. As soon as the peace plan is implemented, the sanctions should be lifted without any further delay.

I am calling on all international factors to consider my proposals and take resolute measures to stop the clashes, as well as the necessary steps to restore peace and create preconditions for the creation of a stable international order in this region, which will be to the benefit of all countries in this part of Europe and in the world. [end recording]

Serbs Exploit Slavonian Oil for Belgrade

AU0311073093 Split NEDJELJNA DALMACIJA in Serbo-Croatian 27 October 93 p 4

[Article by Krunoslava Banic: "Large Oil Theft Under the Auspices of UNPROFOR!"]

[Text] Unlike all the other occupied Croatian regions, eastern Slavonia and Baranja are the only ones to carry a certain economic weight for the rebel Serbs, but not only for them. Something, actually not very much, can be heard about the still very topical quarrels among the so-called local Serbs. Only with regard to eastern Slavonia is the issue valuable oak logs, which disappear without trace, and the black gold from the Djeletovac oil fields. Never mind that the poor inhabitants of Knin are dissatisfied, for they are not getting anything from the Slavonian treasure; rather, the cream is being skimmed off by Hadzic and the criminal [Zeljko Raznjatovic] Arkan, who, by the way, is not a so-called local Serb from Croatia. And they said that, not we. Naturally, it is all the same for us who gets the profit from that business, which is definitely not insignificant. The fact is that woods are disappearing, so, for example, one can now see the Jankovac church tower from Privlaka without any difficulty, which was not possible before the war, because the view was obstructed by the woods.

"Great Success"

Furthermore, when we were recently hang gliding above the occupied area near Vinkovci, we witnessed that, toward Tovarnik, the scenery was dominated by the fire from the Djeletovci oil well. "The flame obviously signifies that they are exploiting gas and oil," confirmed Tvrtko Grgic, manager of the Vinkovci works site, property of "INA-Naftaplin" of Zagreb, which has three oil fields—Djeletovci, Privlaka, and Ilaca—and a gas field, Privlaka. Moreover, last Saturday, Belgrade Television, which ardently covers occupied eastern Slavonia, reported on a "great success." The construction of a 5,000-cubic meter reservoir—just like the one that was here before the war, but that was destroyed as a result of "acts of war"—was completed in Djeletovci. The representative of the Belgrade shipyard emphasized for Belgrade Television that the reservoir was made in the Belgrade shipyard in spite of the sanctions. "The new reservoir will separate water from oil," a reporter proudly explained. Indeed, he did not give details of the quantity of oil daily drawn from those oil fields, which would definitely be interesting information. In any case, the exploitation, that is the stealing of oil, must be viewed as a simple fact.

Out of 14 sites in the section for hydrocarbon production of "INA-Naftaplin," the site in Vinkovci is the most recent. The production of the three oil fields—Djeletovci, Privlaka, and Ilaca—began at the end of 1984. That site is also one of the most profitable, since it has a large percentage of the so-called European wells from which oil comes to the surface using its own energy and does not need to be pumped.

What in normal peace time was considered an advantage of the Djeletovci oil wells, is now, during occupation, actually bad. It is estimated that the occupier, that is the usurper of someone else's property, gets oil only from those eruptive wells, but not from the other wells that require depth pumps and pumping units or gas lifts, which they could not repair owing to the damage to the electricity grid and the lack of spare parts. In the past, the Djeletovac oil fields produced more than 200,000 metric tons of oil, which is approximately a tenth of the total oil production of Croatia. Mr. Grgic said that, supposing the occupier uses only those eruptive wells, some 300 metric tons of oil are being drawn daily, which would amount to a half of the prewar normal production per year, but only provided that the regime of pumping oil is normal. He warned: "It could happen that they produce 50 percent or even 100 percent more, especially if they 'rob' the well, as miners would say, which is very probable. Forcing production and with a nonscientific approach, the occupier can destroy the field, so that the final production could be much smaller than planned. For, in the very deposit below the ground, they can initiate such physical and chemical reactions making deposit performance drastically worse, and worsen the porosity of productive layers to the extent that the original characteristics of the deposit will later on be regained with difficulty or not at all. It is important to establish that they are stealing oil, but it is equally or even more important to see how they are doing it!" If their only goal is to plunder—production at any cost, in a nonscientific manner, just to draw more oil—they can permanently damage the deposit! Oil exploitation does not only consist of opening a well and letting the oil out. It is a complex activity, requiring extensive knowledge of many scientific disciplines, which must be properly combined and balanced in order to achieve maximum production.

"For example, even with maximum attention and effort, it is difficult to pump out more than 50 percent of the available reserves of a deposit, whereas irresponsible and amateurish exploitation can drastically reduce the amount of pumped oil to as little as 10 to 20 percent," explained Mr. Grgic, who had been present at the Djeletovci site from the very beginning of production until 17 September 1991, when, together with other workers and inhabitants of Djeletovci, he withdrew under enemy artillery fire. Since the demarcation line is on the Bosut River, the entire site is in the hands of the occupiers, who refer to themselves at the "oil industry of Krajina." In September 1991, those oil works suffered great damage—one 5,000 cubic meter reservoir was completely destroyed and another was heavily damaged, and so were the pumping room, the processing reservoirs, the access roads, and a building in which the workers were accommodated. Grgic added: "We managed to evacuate some of the equipment. First of all, all key communication elements, all the documentation, and the computer system that governed and controlled the work of the measuring and forwarding station. Because of their size, we could not take the processing

containers, we could only destroy them, but we did not do so because the emergency headquarters ordered us not to."

"Arkan's Gasoline for Three German Marks"

"All the Serbs who used to work here, and there were a few, went over to the enemy, and some we are almost certain are working at the site. But they were not highly educated people, and they could not run it on their own, and there are no experts in the occupied area. We are quite sure that they involved experts from Novi Sad's Naftagas," said Mr. Grgic.

This is supported by the fact that they connected the existing main oil pipeline Ruscka-Djeletovci, which used to intersect former Yugoslav, and the Adriatic oil pipeline, near Mirkovci at Vrapcani, so that oil from Djeletovci is piped to Vrapcani, just near Vinkovci, and then back through the Adriatic oil pipeline to Opatovci and the local oil terminal, from where it is shipped to the Pancevo refinery on the Danube. They named the connection of the two lines "the bypass." Hadzic has obviously seen to it that the oil is exploited, while UNPROFOR [UN Protection Forces] was needed to ensure peace so as to have it all running, including the "bypass" at Vrapcani near the demarcation line. The interests involved are stronger than anything else, even stronger than the danger. For, the criminal Arkan—whether first or second in that pair of criminals and thieves is quite irrelevant—is selling oil and oil products at several gas stations, which are his property, in occupied eastern Slavonia. No wonder the demarcation line on the Serbian side is guarded by no less than Arkan's men. "Caring for endangered Serbianity" is actually grand theft. Unfortunately, nothing new. The Croatian authorities have been warning about it since the day UNPROFOR took over Sector East. Numerous inquiries, demands, and protests of the Croatian authorities have all been totally futile. UNPROFOR, although it promised to do so, has not protected the oil well from theft and possible "robbing," which could have disastrous consequences for those oil fields. They did not do anything even when they saw them connecting the pipeline, so that the oil could go to Serbia, which is under the oil embargo, imposed by the same UN! Absurd, indeed. However, it is happening to us and is therefore not funny. It is probably not the least bit funny to those Serbs living in occupied eastern Slavonia, for the criminal Arkan sells gasoline for three German marks per liter. But as he is their "savior," it serves them right—let him fleece them!

"Proceedings Against the 'Blue Helmets'"

Therefore, UNPROFOR is manifoldly responsible, as it has violated the basic principles of civic society in which property is sacred, which presents a problem also with regard to the entire property of Croatian refugees from the occupied areas. The same holds for "INA-Naftaplin" as well, which constructed all those expensive plants and established production with its own money, and is now helplessly watching a classical mobster organization freely disposing of it in connivance with UNPROFOR. And finally, in the most obvious manner, UNPROFOR is allowing the violation of the oil embargo imposed on Serbia, whose involvement is also evident in other elements besides processing crude oil in the Pancevo refinery. Without experts from Naftagas of Novi Sad (the Serbian state-owned oil company) none of it would be possible. Workers at the Vinkovci site of "INA-Naftaplin" are most seriously considering initiating proceedings against UNPROFOR, for they think it is directly involved in the great theft.

Serbia

SPS Spokesman: Electoral Conditions Same as Before

AU0211164393 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 2 Nov 93

[Text] The Socialist Party of Serbia [SPS] held a news conference today. Ivica Dacic was replying to journalists' questions. Here is a report by Dragoljub Stankic:

[Begin recording] [Stankic] All political parties should be equally represented in the media during the electoral campaign.This is a principled stand of the SPS. Only after having submitted electoral lists, the parties can count on the allocation of airtime for presentations proportionate to the total number of electoral lists, Ivica Dacic pointed out.

[Dacic] It seems to me that when they talk about the media, many people are not talking about the principles upon which the campaign should be held, but everybody [pauses], but the majority of political parties are talking about how to manipulate the media to the benefit of their party. The aim of these negotiations, as well as this year's and last year's, and [word indistinct] talks is to make it possible for the political parties to have equal presentation in the media. As regards me personally, I would allocate some opposition party leaders the longest possible time in television [and] radio programs because, as is known, some of their appearances are good propaganda for the SPS.

[Stankic] The conditions under which December elections are to be held are identical to last year's conditions and they suit the SPS the least. It is illogical, Dacic went on to say, for the very parties who demanded early elections in the first place, to boycott them. Ivica Dacic reiterated the previous stance, that the elections will be ignored only by those political parties that are afraid of the electoral results. Talking about the greatest political rivals, Dacic did not single out an opposition party, but the grave social situation in the country. [end recording]

Opposition Expects To Win Socialist, Radical Voters

AU0311075293 Belgrade BORBA in Serbo-Croatian 29 Oct 93 p 13

[Report by M. Antic: "Divisions—Electoral Trump Card"]

[Excerpt] The Kosmet [Kosovo and Metohija] Socialists "are ready for the elections." They were not taken by surprise by the decision to dissolve the Assembly and the call for new elections. The people from the leadership of the regional Socialist Party of Serbia [SPS] committee with whom we spoke said that the December elections are a good chance for them to get considerably more deputy seats than they did at last year's elections. Since they "got rid" of [Serbian Radical Party leader Vojislav] Seselj and "his lot," they will now ask their followers—to whom they gave the wink to vote for Seselj last time—to return to the "old flock." They mention "many" examples of "temporary" Radicals who are returning to the Socialist ranks. In other words, they are counting on at least 20 deputy seats, as they intend "to enrich" their list for the Serbian Assembly with "new and more prominent names," although they will not say who they are.

At the previous elections in Kosmet, only Seselj's Radicals and the group of citizens of Zeljko Raznjatovic 'Arkan,' besides the Socialists, managed to get into the Serbian Assembly, as did one deputy of the Democratic Reformist Party of Muslims from Prizren. The rest of the opposition—and 16 parties and groups of citizens had presented their lists—got nowhere.

The opposition parties in Kosmet now believe that their time has come and that they will manage to get the votes of "all those who deserted Seselj" and "all the disappointed SPS followers." They believe that there are many of these amidst the general deprivation and hunger. However, the Kosmet opposition parties still do not know whether they will participate in the elections, how they will organize themselves, and whether they will go it alone or with coalition lists. What we were told "in confidence" was that, if there is a repeat of last year's party covetousness and "lone rangers," then the chances are slim that any damage could be done to the well-organized Socialists, who have the mechanism of power and know "how elections are held and run."

When it comes to the Radicals, the other opposition parties here claim that they will lose a lot of voters in this region, since their deputies from Kosmet have become deeply involved with the most sensitive Kosmet issue—the division into the so-called natives and newcomers. They say that it is obvious that the so-called newcomers are rallying around Seselj's Radicals in Kosmet but, since they represent only a small part of the electoral body—only 10 percent of those who will vote—the chances of them repeating last year's success are slim. The Kosmet Radicals are convinced that they are the ones who will "get the electoral pie." They believe that the Socialists have lost their reputation, that they have brought misery and hunger to the people, and that the Radicals were "the ones to point first at the dangers of socialist rule." They are counting on the voters' awareness of the fact that it is the Radicals who have always "revealed all the secret activities of the Socialists, their theft of public property, various rackets and ventures." They also have "the solution for the elimination of the Kosovo double rule and disorder," and "the solution for bringing the ethnic Albanians into the legal state, or kicking them out if they do not recognize it." [passage omitted]

'Arkan' Forms 'Party of Serbian Unity'

LD0211154193 Belgrade TANJUG Domestic Service in Serbo-Croatian 1430 GMT 2 Nov 93

[Text] Belgrade, 2 November (TANJUG)—The Party of Serbian Unity [SSJ], whose founding assembly will be held at the Intercontinental Hotel in Belgrade tomorrow, presented its program at the International Press Center today.

Journalists were told that since 21 October, when the party was registered, it has formed 32 local and town committees.

Initiative Committee President Zeljko Raznjatovic 'Arkan' said that a way of ending the sanctions imposed by the international community had to be examined since the sanctions were the cause of the catastrophic economic situation in Serbia and Yugoslavia.

He said that Kosovo was an inseparable part of Serbia and that "there will be no negotiations about Kosmet [Kosovo-Metohija], for it is the sacred Serbian land."

According to him the problems in Kosovo were caused by "the communists, who, having allowed immigration from Albania, disturbed the ethnic balance" in the province.

All Albanians loyal to Serbia could stay in Kosovo. Those who rely on Tirana and want to join Kosovo with Albania will have to move back to Albania, Raznjatovic said.

He said that the SSJ advocated that difference in political opinion be allowed.

We would like to bring American-style democracy into our country, but to be allowed to find our own way to such democracy, Raznjatovic said.

He then noted that the stories about a small number of people accumulating wealth owing to sanctions, while at the same time the vast part of the population was getting impoverished were an attempt to sow disunity among the Serbian people. This attempt, he said, "originates in the West."

Refugees' Right To Vote Unclear

AU0311081893 Belgrade VECERNJE NOVOSTI in Serbo-Croatian 2 Nov 93 p 6

[Report by M. Turudic: "Refugees With Two Faces"—capitalization as published]

[Text] The official explanation by the republican electoral commission of Serbia that the refugees will not be able to vote at the forthcoming elections on 19 December has already caused negative reactions among the hundreds of thousands of citizens from the republics that seceded from the SFRY [Socialist Federal Republic of Yugoslavia] who are now living in Serbia.

The reaction is especially negative because many of them had the right to vote at the early elections last year, provided that they had had permanent residence in Serbia for more than six months.

First Trap

At the TIME when the Law on Election of People's Deputies should be applied in its original form (since amendments can only be made by the People's Assembly, which has been dissolved), contentious electoral rules (of which there are many) can only be interpreted by the republic electoral commission. And the commission has recently been doing so every day.

The well-informed claim that in its attempt to explain the status of refugees at the forthcoming elections, the commission fell into the first trap.

The Law on Election of People's Deputies contains two articles that regulate the rights to vote. Article 12 has a general meaning and is permanent in its nature, while Article 122 only regulated the rights to vote at the early elections in 1992. According to the provisions of that article, all citizens of legal age and sound mind [poslovno sposoban] who have had SFRY CITIZENSHIP and residence in Serbia for at least six months before the electoral law came into effect (November 1922) had the right to vote. The rule was crystal clear and many "newcomers" from Slovenia, Croatia, Bosnia-Herzegovina, and Macedonia who managed to register themselves in Serbia voted together with the "natives."

These legal provisions do not apply to the forthcoming elections in December. Considering that the assembly is not working, these provisions cannot be altered and therefore general rules from Article 12 apply.

The first paragraph of Article 12 of the Law on Election of People's Deputies states: "The right to vote for deputies is held by every CITIZEN of the Republic of Serbia who is at the same time a YUGOSLAV CITIZEN, who is 18 years of age and of sound mind, and who has RESIDENCE on the territory of the electoral unit in which he wants to exercise his voting right."

Old Regulations

It is in fact this article that is causing most confusion. First of all, it is not known at present who a "Yugoslav citizen" is. The Law on Citizenship of the Federal Republic of Yugoslavia has not been adopted yet. The one that was used in the old SFRY still applies. This means that all those who came to Serbia from the republics that seceded could be considered "Yugoslav citizens." According to the old rules, all citizens had the citizenship of some of the former republics, from which Yugoslav citizenship was derived automatically. This citizenship was in fact the only important thing in the realization of all civil rights.

Considering that the old rules apply until the new ones are adopted, all citizens of the former republics could be treated as "Yugoslav citizens."

Article 12 does however contain a snag in the phrase "citizens of the Republic of Serbia." The article does not state the "citizenship of Serbia," which means that everyone who has a valid residence card in a Serbian place could vote. Many citizens of the former republics have obtained this card, even though they still have refugee status. Therefore, the rule that the "refugees cannot vote" cannot be absolute, because this would not be consistent with the law.

Considering that Article 12 does not tie the right to vote to the duration of "residence," in other words the six months rule does not apply, one could say that there could be considerably more "refugees" at the elections this year than last December.

It is obvious that, because of all these ambiguities, we need a more precise and clearer explanation as to who can vote at the 19 December elections, considering that the right to vote is one of the most important civil rights in the democratic world.

Minister Cited on Lack of Fuel at Start of Winter

LD0211175793 Belgrade TANJUG in English 1429 GMT 2 Nov 93

[Text] Belgrade, November 2 (TANJUG)—Without natural gas and oil imports for humanitarian purposes it will be difficult to secure heating during the winter, Vladimir Zivanovic, Serbian minister for fuel, power and mining industries, said on Tuesday [2 November].

The Yugoslav republics of Serbia and Montenegro have been the past 18 months under rigorous sanctions, including an oil trade embargo, imposed by the U.N. Security Council.

For over a year's time, the Federal Government has received no answer to its repeated appeals for the permitted import of fuel for humanitarian purposes.

Belgrade alone has around 100 schools or kindergartens heated by fuel oil, Minister Zivanovic recalled.

In Serbia, said he, there are about 800,000 refugees. Their centres also lack fuel oil.

Nine out of every ten refugees are accommodated in private homes.

The opening of the heating season (November 1, in preceding years) would now be moved ahead by ten or fewer days in case daytime temperatures fall below 12 degrees centigrade, said Zivanovic.

In Belgrade, heating plants did not operate on Monday although morning temperatures were two degrees below zero.

Majority population in cities, who depend on remote heating systems and extremely high-priced food in shops, is directly exposed to cold weather and hunger.

Homes using coal for heating are just as badly affected because this fuel is in short supply and also priced enormously high. One tonne of lowest-quality coal is priced 50 German marks, while a monthly earning averages 20 German marks.

Experts announce that the least problems would be posed by the generation of electricity, but they doubt that the hydro- and thermoelectric power plants will be able to make up for the shortages of liquid fuels, coal, wood, and natural gas.

Public Transportation Under Threat in Belgrade

LD0211140393 Belgrade TANJUG in English 1330 GMT 2 Nov 93

[Text] Belgrade, November 2 (TANJUG)—The collapse of public transport in Belgrade threatens to bring the Yugoslav capital with two million residents to a standstill as a result of the 17-month-old oil embargo against the Federal Republic of Yugoslavia.

Hundreds of people on Tuesday [2 November] clustered on every bus and tram stop in the city and many were late for work for hours.

Public transport vehicles, made to transport 160 people at a time, can now rarely be seen with less than 300 passengers.

Although crammed vehicles and huge crowds waiting on bus stops have become Belgrade's usual decor after the imposition of the economic sanctions, the situation further deteriorated after a decision by the Belgrade Public Transport (GSP) to shorten some lines and reduce the number of trams in operation.

"In the case of trams and trolley buses, the problem is the lack of spare parts, while in the case of buses the additional burden is the shortage of petrol," GSP official Toma Danilovic said on Tuesday,

Until the imposition of the embargo, Belgraders had been transported by 1,167 trams, trolley buses and buses. Even at that time, the GSP was warning that another 400 vehicles were needed to provide normal functioning of public transport in all parts of the city.

Over the past few months, however, barely 600 vehicles have been operating during rush hours, said GSP sources.

Three people were killed in Belgrade last September as a result of the malfunction of public transport vehicles but the GSP continued to put into operation cars in bad state of repair because it was unable to import spare parts for them.

The fuel shortage is endangering the operation of all public services, including even ambulances.

The population of Yugoslavia, which has most suffered the effects of the U.N. Security Council sanctions against Yugoslavia, has in this way been denied their human rights guaranteed under U.N. charters.

Macedonia

Diplomatic Relations Established With DPRK

LD0211193693 Belgrade TANJUG Domestic Service in Serbo-Croatian 1633 GMT 2 Nov 93

[Text] Skopje, 2 Nov (TANJUG)—Yu Se-ung, DPRK ambassador to the Federal Republic of Yugoslavia, and Macedonian Foreign Relations Minister Stevo Crvenkovski signed a protocol on the establishment of diplomatic relations at ambassadorial level.

It was agreed that embassies will be opened in Pyongyang and Skopje in the immediate future.

The DPRK recognizes the Republic of Macedonia under its constitutional name—the Republic of Macedonia.